

# DAILY REPORT

*China*

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UN ENVOY SAYS SRV TO BLAME FOR REGIONAL TENSION

OW071339 Beijing XINHUA in English 0901 GMT 7 Nov 85

["Asian Nations Condemn Vietnam's Aggression Against Kampuchea" -- XINHUA headline]

[Text] United Nations, November 6 (XINHUA) -- Vietnam, after initiating debate at the United Nations on the "question of peace, stability and cooperation in Southeast Asia," drew sharp condemnation today from several Asian nations for its intervention in Kampuchea.

Chinese U.N. representative Liang Yufan said that "The tension in Southeast Asia is the result of the war of aggression against Kampuchea launched by the Vietnamese authorities. There can be no tranquility, nor peace, stability and cooperation in Southeast Asia as long as the Vietnamese authorities refuse to give up their policy of aggression and to pull out all their troops from Kampuchea. This has been borne out by the facts over the past seven years."

He also stated that "The Chinese Government is ready to join efforts with all the justice-upholding and peace-loving countries and peoples for a settlement of the Kampuchean question on the basis of the relevant United Nations resolutions and the declaration of the international conference on Kampuchea and make its due contribution to the early realization of peace and stability in Southeast Asia."

Filipino representative Luis Moreno-Salcedo said that "The continued presence of Vietnamese troops in Kampuchea is the principal source of instability in the region. Unless these troops are withdrawn and the Kampuchean people are allowed to freely exercise their right to self-determination, peace in Southeast Asia will continue to be a distant goal." He stressed that if Vietnam "truly desires to seek peace, stability and cooperation in Southeast Asia," it "must demonstrate through concrete actions, not just with mere unsupported pronouncements, that it observes the rule of law, in order to gain the trust and confidence of its neighbors. This is the key to any meaningful dialogue on peace, stability and cooperation in Southeast Asia."

Kishore Mahbubani of Singapore said that the U.N. General Assembly has discussed this item six times, but "no resolutions have been passed." Vietnam is even "unable to put forward any draft resolution on this item," because it also knows that "there is only one problem affecting peace and stability in Southeast Asia -- the Vietnamese invasion and occupation of Kampuchea." He also said that if Vietnam "really wishes to bring about peace, stability and cooperation in Southeast Asia, it should not come here looking for the source of the problem. All it has to do is to look into the mirror."

Thailand's Phiraphong Kasemsi said that "The Association of Southeast Asian Nations (ASEAN) would like to see the restoration of peaceful coexistence to the region of Southeast Asia," but cannot accept the Vietnamese action in Kampuchea "as a fait accompli." "Only when the question of Kampuchea is solved can a strong foundation be built for constructive regional cooperation among all countries of Southeast Asia," he added.

Democratic Kampuchean Representative Siv Sichan said that Kampuchea would never be subjugated, no matter what sacrifices it would have to make, and appealed to Vietnam to "face the fact that colonialism has gone once and for all." He also said that for real peace and stability in Southeast Asia, a way must be found to implement United Nations resolutions on the Kampuchean question.

In response, representatives of the Soviet Union, Vietnam, Laos, Hungary, Democratic Germany, Poland, Czechoslovakia, Bulgaria, Mongolia, Afghanistan and Cuba all made speeches in which they denied that tension in Southeast Asia was caused by Vietnamese invasion of Kampuchea.

#### LI PENG REAFFIRMS FAMILY PLANNING POLICY

OW061900 Beijing XINHUA in English 1848 GMT 6 Nov 85

["China's Family Planning Policy Will Not Change, Says Li Peng" -- XINHUA headline]

[Text] Beijing, November 6 (XINHUA) -- Family planning policy is one of China's basic national policies written down into the Constitution and will in no way change because of interference from any country, Vice-Premier Li Peng said here today. Li was speaking at a meeting with Rafael Salas, executive director of the United Nations Fund for Population Activities.

Li said China's family planning program has been carried out with nationwide publicity and on a voluntary basis. He thanked the fund for its assistance and cooperation extended to China in solving the country's population problem and reiterated China's support to the fund.

Salas praised China for its good achievements in lowering population growth rate. He said that no country is allowed to interfere in a sovereign country's effort to solve population problems, which is a principle repeatedly stressed by international community at population meetings. He assured Li of the fund's continued support to China's family planning program.

#### U.S. RESEARCHERS PREDICT WORLD MILITARY SPENDING

OW070642 Beijing XINHUA in English 0631 GMT 7 Nov 85

[Text] Washington, November 6 (XINHUA) -- World military spending will total 800 billion U.S. dollars this year -- up 60 billion over 1984 -- with the two superpowers accounting for more than half of the total, according to a report published here today by World Priorities, an economic research group. The report, aimed at pointing up the disparity between military spending and that on health care, welfare and education, said the Soviet Union spends more on its military than all the developing countries' combined spending on education and health care.

Annual per capita military spending of the United States and its allies has reached 45 U.S. dollars, compared with 11 dollars for health research, the report said, adding that the budget of the U.S. Air Force is larger than the total educational budget for 1.2 billion children in Africa, Latin America and Asia, including Japan.

The report said an average of 5.4 percent of the gross national products of developed nations is devoted to military purposes, while an average of 0.3 percent goes for development assistance to poor countries.

The Soviet Union maintains more than 778,000 troops in 22 foreign countries and the United States has 479,000 troops at bases in 40 foreign countries, the report said.

The sponsors of World Priorities include the Rockefeller Foundation, the Arms Control Association and the World Policy Institute.

SENATE CONFIRMS WINSTON LORD AMBASSADOR TO PRC

OW061336 Beijing XINHUA in English 1321 GMT 6 Nov 85

[Text] Washington, November 5 (XINHUA) -- Winston Lord was confirmed by an 87-7 vote at the U.S. Senate this evening as U.S. ambassador to China.

His nomination had been under consideration since July and was approved with a 16-1 vote by the Senate Foreign Relations Committee on September 30.

It was reported, however, that his nomination had been held up for months by a number of senators as represented by Jesse Helms (Republican -- North Carolina). Helms adhered to a position of interfering in China's internal affairs by trying to use Lord's remarks on the "problem of abortion" in China to exert pressure on the Reagan administration.

In his testimony at a hearing held on September 30 by the Senate Foreign Relations Committee, Lord said that people must recognize China is a country with nearly one fourth of the world population but with a place only a little larger than the United States, and if its population is not controlled, it will really become a problem. He added, however, that he preferred other forms of family planning than abortion. He said he is not for abuses but the population should be controlled.

Helms said today he finally permitted the vote because President Ronald Reagan had offered personal assurances that his administration will bar U.S. funding to organizations supporting programs of coercive abortion or involuntary sterilization.

Winston Lord, who has been president of the U.S. Council on Foreign Relations in New York City for the past several years, was formerly U.S. Defense and State Departments policy planning official. He was also a special assistant to former Secretary of State Henry Kissinger at the White House.

SHULTZ MOSCOW VISIT FAILS TO 'NARROW GAP'

LD070913 Beijing XINHUA in English 0737 GMT 7 Nov 85

[Text] Beijing, November 6 (XINHUA) -- The American pre-summit negotiating team led by State Secretary George Shultz arrived home from Moscow Wednesday after failing to narrow the gap between Washington and Moscow on ways to curb nuclear and space weapons, according to reports reaching here.

After arrival, Shultz drove directly to the White House to brief President Ronald Reagan who is to meet Soviet leader Mikhail Gorbachev in Geneva this month.

Before leaving Moscow, Shultz told the press that in his two-day visit, including a four-hour meeting with Gorbachev and two rounds of talks with Soviet Foreign Minister Eduard Shevardnadze, there had been "no narrowing" of the gap in the understanding of two countries on arms control.

One of Shultz's aides reportedly said each side brought its own version of the draft summit communique to the negotiating table but the two versions differed dramatically in content. The official said Gorbachev seemed to make a sweeping rejection of the U.S. space defence weapon plan and its fundamental research, which Reagan insisted should be carried on and exempted from arms control.

The official was quoted as saying "the pace of progress was set back by this [passage indistinct] by National Security Adviser Robert McFarlane and U.S. special arms control adviser Paul Nitze, told reporters aboard his plane that diplomatic preparations would continue intensively at the ambassadorial level in both Moscow and Washington.

#### REAGAN 'REVERSES' STAR WARS DEPLOYMENT CONCEPT

LD070925 Beijing XINHUA in English 0746 GMT 7 Nov 85

[Text] Washington, November 6 (XINHUA) — U.S. President Ronald Reagan said today the United States would deploy the "star wars" defensive system unilaterally if no agreement can be reached with the Soviet Union on dismantling their respective offensive nuclear weapons once the system is developed.

This is a sharp reversal of his earlier statement made in his interview with four Soviet journalists last Thursday (?when he) said that the United States would not deploy the "star wars" system until the two superpowers scrap their nuclear missiles.

But today the President told a group of Western reporters that that was "an erroneous conclusion" and that he did not mean to give the Soviet Union veto power over the U.S. deployment of the "star wars" system. He said his concept was that "If and when we finally achieve our goal, and that is a weapon that is effective against incoming missiles...we would sit down with the other nuclear powers, our allies and our adversaries, and see if we cannot use that weapon to bring about...the elimination of nuclear weapons." If such an international conference failed to gain an agreement for mutual use of the defensive system, "we would go ahead with deployment", he added.

Reagan's comment today was an official clarification of the interpretation of his interview with the Soviet journalists. On Monday, within hours of the release of the President's interview, White House officials backed away from that interpretation, insisting that the "star wars" system would go ahead even if the Soviets refused to dismantle their nuclear missiles.

#### WEINBERGER ON 'FUNDAMENTAL DIFFERENCES' WITH USSR

OW061532 Beijing XINHUA in English 1517 GMT 6 Nov 85

["United States Refuses To Isolate Arms Control From Entire U.S.-Soviet Relations, Says Weinberger" -- XINHUA headline]

[Text] United Nations, November 5 (XINHUA) -- Secretary of Defense Caspar Weinberger has stressed that the United States "will not isolate arms control from other significant bilateral and multilateral issues that also influence U.S.-Soviet relations" when President Ronald Reagan meets with Soviet leader Mikhail Gorbachev November 19-20 in Geneva.

Speaking to the Foreign Policy Association in New York Monday, Weinberger said the Reagan administration believes the reasons for U.S. differences with the Soviets "are too deeply rooted in the different foundations of our social and political systems to be 'solved' in any ordinary meaning of that word."

He said this conflict "demands" that "we refuse to isolate arms control from the entire context of U.S.-Soviet relations, and our own defense strategy." "Prudent statecraft," as he put it, "demands that negotiations with the Soviet Union encompass the broad scope of the issues that concern us, including human rights violations, treaty compliance, regional issues, bilateral matters, and arms reductions."

"This administration places primary emphasis on the fact that our competition with the Soviets is rooted in fundamental differences." Weinberger added, "We can no more isolate arms control from the reality of Soviets behavior than we can look benignly on Soviet aggression."

Weinberger told reporters earlier he will not accompany Reagan to Geneva because "arms control will not be the only issue" at the summit. Weinberger also made it clear that "At the very core of our hope for meaningful arms reductions is the President's commitment to rebuild American military strength," not use its Strategic Defense Initiative (SDI) as a bargaining chip at Geneva.

"First, if SDI research bears fruit, it offers the hope, available nowhere else, of moving the world out of the horrible shadow of the nuclear threat. It would be the height of irresponsibility to forgo this hope. Second, history has taught us not to delude ourselves in thinking that if we halt SDI research, or bargain it away in Geneva, the Soviets will desist in their offensive and defensive build up," the defense secretary said.

#### SONG HANLIANG HAILS PRC-U.S. MOUNTAINEERS

OW031554 Beijing XINHUA in English 1316 GMT 3 Nov 85

[Text] Urumqi, November 3 (XINHUA) -- The Xinjiang Uygur Autonomous Region Government congratulated the Sino-U.S. joint mountaineering team on its successful expedition to Mount Mudztaga at a banquet here Saturday night.

Song Hanliang, secretary of the regional Communist Party Committee, said that the successful expedition had extended human footsteps to a new field and that the scientific research conducted there would help exploit the natural resources of Xinjiang.

The 6,973-meter summit was conquered for the first time on October 21.

[Beijing XINHUA Domestic Service in Chinese at 1355 GMT on 3 November carries a 480-character report on the Xinjiang banquet noting, in addition to the above, that "During the banquet, Tomur Dawamat, chairman of the autonomous regional people's government and honorary captain from the Chinese side to the joint mountaineering team, presented gifts to all team members."]

#### LI PENG MEETS U.S. EDUCATORS, EXECUTIVES

OW051058 Beijing XINHUA in English 1043 GMT 5 Nov 85

[Text] Beijing, November 5 (XINHUA) -- Chinese Vice-Premier Li Peng met here this afternoon with a delegation from the Institute of International Education of the United States led by its President Charles Percy.

Later, the vice-premier had talks with Vice-Presidents of the General Motor Company of the United States Barton Brown and Robert O'Connell.

ANNIVERSARY OF RUSSIAN OCTOBER REVOLUTION MARKED

## Qian Qichen Attends Fete

OW061443 Beijing XINHUA in English 1436 GMT 6 Nov 85

[Text] Beijing, November 6 (XINHUA) -- The 68th anniversary of the Russian October Socialist Revolution was marked here today. A reception was co-sponsored by the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) and the China-Soviet Friendship Association (CSFA).

Qu Wu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the CSFA, Vice-Minister of Foreign Affairs Qian Qichen and Vice-President of the CPAFFC Liang Geng were among some 100 Chinese and Soviets present. Vice-President of the CSFA Jia Huaiji and Soviet Ambassador to China I.S. Shcherbakov spoke at the reception.

Before the reception, Qu Wu, met with a Soviet tourist group from the Union of Societies for Friendship and Cultural Relations With Foreign Countries of the Soviet Union and the Soviet-China Friendship Society.

## Soviet Embassy Reception

OW071300 Beijing XINHUA in English 1244 GMT 7 Nov 85

[Text] Beijing, November 7 (XINHUA) -- Soviet Ambassador to China I.S. Shcherbakov gave a reception here this afternoon at the embassy in celebration of the 68th anniversary of the Russian October Socialist Revolution. Among those attending the reception were Huang Hua, vice-chairman of the National People's Congress Standing Committee, and Zhu Xun, minister of geology and mineral resources.

## Leaders Send Congratulations

OW070135 Beijing in Russian to the USSR 1800 GMT 6 Nov 85

[Text] On 6 November, Li Xiannian, president of the People's Republic of China; Peng Zhen, chairman of the NPC Standing Committee; and Zhao Ziyang, premier of the PRC State Council, sent Gromyko, chairman of the USSR Supreme Soviet Presidium, and Ryzhkov, chairman of the USSR Council of Ministers, a congratulatory telegram on the occasion of the 68th anniversary of the Great October Socialist Revolution.

The telegram says: On behalf of the PRC National People's Congress, the PRC Government, and the Chinese people, we send the USSR Supreme Soviet, the USSR Government, and the Soviet people our heartfelt congratulations and good wishes on the occasion of the 68th anniversary of the Great October Socialist Revolution.

China and the Soviet Union are two neighboring socialist countries. Traditional friendship exists between the peoples of our two countries. In recent years, ties and contacts between China and the Soviet Union in certain spheres have gradually expanded. Relations between the two countries have somewhat [neskolko] improved. The peoples of both countries are happy about this.

We are deeply convinced that taking practical steps to remove obstacles with the aim of realizing the normalization of relations between the two countries and establishing friendly and good-neighborly relations on the basis of the Five Principles of Peaceful Coexistence will meet the fundamental interests of the peoples of the two countries and facilitate the cause of peace and stability in Asia and throughout the world.

We wish the Soviet people new successes in the cause of construction in their country.

Amity Groups Leave for USSR

OW051755 Beijing XINHUA in English 1742 GMT 5 Nov 85

[Text] Beijing, November 5 (XINHUA) -- Three delegations from Sino-Soviet Friendship Association branches have left for the Soviet Union for October Revolution anniversary celebrations and friendship visits.

One delegation, which left today for the Kazakh, Uzbek and Kirghiz Soviet Socialist Republics, is from the Xinjiang Regional branch of the Sino-Soviet Friendship Association. It is led by its vice-president, Nusreti Burhan, who is also president of the Xinjiang Teachers' University.

The other two, which left on Monday for the coastal territory and Khabarovsk territory, are from the Jilin and Heilongjiang provincial branches respectively. One is led by Liu Yunzhao, deputy governor of Jilin Province and president of the provincial branch, and the other is led by Wang Yaochen, president of the Heilongjiang branch.

SOVIET DEFENSE MINISTER CRITICIZES U.S.

OW061640 Beijing XINHUA in English 1614 GMT 6 Nov 85

[Text] Moscow, November 6 (XINHUA) -- The Soviet Union today insisted on a ban on space-based offensive weapons as a precondition to an agreement with the United States on reducing nuclear arsenals.

Soviet Defense Minister Sergey Sokolov also sharply attacked the breach by the U.S. of the 1979 SALT II treaty between the U.S. and the Soviet Union. In a lengthy article carried in the communist party newspaper PRAVDA, Sokolov said the accord -- which was never ratified by the U.S. -- had established a strategic parity between the two superpowers.

However, the Soviet marshal said, this balance has been undermined by the deployment of U.S. medium-range nuclear missiles in Western Europe, because each American missile deployed near Soviet borders "is actually a strategic weapon against the USSR."

Denouncing the U.S. development of space weapons, Sokolov said Washington has made a mistake in believing that it can achieve military superiority by creating space-based strike systems. "The Soviet Union will issue an adequate reply to the contemplated challenge," he warned, adding "There will be no U.S. monopoly in outer space, nor will Washington have military advantages which the initiators of the star wars (program) count upon." "The United States," he concluded, "seeking to undermine the Soviet Union's security, has virtually embarked upon the path of a decrease in its own security."

Sokolov's article came just two weeks before the Geneva summit meeting between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan. Analysts say Moscow and Washington have come no closer to each other on their main difference: The Soviet demand that the U.S. drop its star wars program, and the U.S. insistence on Moscow substantially reducing its strategic nuclear weapons.

PRC SPOKESMAN ON SINO-JAPANESE RELATIONS

HK061430 Beijing ZHONGGUO XINWEN SHE in Chinese 1300 GMT 6 Nov 85

[Text] Beijing, 6 Nov (ZHONGGUO XINWEN SHE) -- PRC Foreign Ministry spokesman Ma Yuzhen today said the relations between China and Japan were generally good.

Having briefed reporters on Japanese Foreign Minister Shintaro Abe's recent visit to China, Ma Yuzhen said: We believe that China and Japan should continue to develop their political and economic relations and friendly intercourse between their peoples. At the same time, the two countries should avoid the occurrence of any event that may hurt the feelings of their peoples. The two sides should seek a way to deal with the trade deficit so that the economic and trade cooperation between the two countries will develop further.

Asked about the activities to mark the 50th anniversary of the "9 December Movement," Ma Yuzhen said: As the "9 December Movement" was an important event in China's history, the CYL Central Committee has recently issued a circular on activities to mark the 50th anniversary of this event.

Asked by a reporter about what the Chinese Government was going to do to mitigate Chinese students' anti-Japanese feelings in the activities marking the "9 December Movement," Ma Yuzhen replied: The vast majority of young Chinese students love their country and observe discipline, and the anti-Japanese feelings are simply irrelevant to them.

FIRST SINO-MONGOLIAN FRONTIER TRADE ACCORD SIGNED

OW081252 Beijing XINHUA in English 1228 GMT 7 Nov 85

[Text] Ulaanbaatar, November 5 (XINHUA) -- The Inner Mongolia Autonomous Region of China and the People's Republic of Mongolia signed their first frontier trade agreement here today. Under the agreement, which totals about 600,000 Swiss francs (or about 230,000 U.S. dollars), the Inner Mongolia Autonomous Region will export to Mongolia light industrial products while importing papers and shoes. The two sides also reached a primary agreement for the exchange of rice and flour for the first quarter.

DPRK CRITICIZES S. KOREA'S 'TWO KOREA POLICY'

OW060843 Beijing XINHUA in English 0826 GMT 6 Nov 85

[Text] Pyongyang, November 6 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) said recently in a statement that the ongoing North-South dialogue for reunification of Korea will be seriously affected if South Korea pursues its two Korea policy, the KOREAN CENTRAL NEWS AGENCY reported here today. The statement was issued by the Committee for the Peaceful Reunification of the Fatherland on November 4.

The statement said that the recent visits by wartorn family members and art troupes from both the North and South, will help realize the peaceful reunification of Korea. However, the statement said that while South Korea has shown its appreciation of the current dialogues, it delayed the third preliminary meeting for parliamentary talks, which was scheduled for October 16, and it advocates "joining the U.N. as two parts of Korea simultaneously" or "individually", thereby jeopardizing reunification efforts.

LEADERS GREET BURMESE COUNTERPARTS ON ELECTION

BK071302 Beijing International Service in Burmese 1130 GMT 7 Nov 85

[Text] Chinese President Li Xianniansent acongratulatory message on 5 November to U San Yu, who has been reelected as president and chairman of the Council of state of the Union of Burma.

In his message, President Li Xiannian expressed the hope that the friendly Sino-Burmese relations and cooperation, based on the five principles of peaceful coexistence will develop further and that the kindred friendship between the peoples of the two countries will be further strengthened.

Vice President Ulanhu also sent a congratulatory message on 5 November to U Aye Ko, who has been elected as vice chairman of the Council of State and vice president of the country. In his message, Vice President Ulanhu extended his best wishes for the further development of the kindred friendship between China and Burma.

Chinese Premier Zhao Ziyang also sent a congratulatory message dated 5 November to U Maung Maung Kha who has been reappointed as prime minister. In his message, Premier Zhou Ziyang extended his best wishes for the government and the people of Burma in achieving new successes in their endeavors to promote national development and raise the people's standard of living. He also expressed his hopes for the continued development of Sino-Burmese friendly relations and cooperation.

On the same day, Wu Xueqian, Chinese foreign minister and state councillor, sent a congratulatory message to U Ye Gaung who has been appointed foreign minister.

CAMBODIA'S SON SANN SPEAKS IN UK ON HANOI POLICY

LD070921 Beijing XINHUA in English 0741 GMT 7 Nov 85

[Text] London, November 6 (XINHUA) -- Prime Minister of the Coalition Government of Democratic Kampuchea, Son Sann, said here today the Vietnamese do not want a political solution to the Kampuchean problem although they try to say they want to negotiate on the issue.

Speaking at the Royal Institute of International Affairs in London, Son Sann said while talking about total withdrawal of their troops by 1990, the Vietnamese are now trying to colonize and Vietnamize Kampuchea. He said there are now 700,000 Vietnamese settlers in Kampuchea and Vietnam is trying to change the demographic identity of Kampuchea through intermarriage.

Since 1982, the Vietnamese invaders have taken large quantities of timber from Kampuchean forests, Son Sann noted, and they are exploiting other Kampuchean natural resources such as rubber and fish. The Vietnamese invaded and are staying in Kampuchea because the Soviet Union has been pouring aid into Hanoi, Son Sann said. It is a common knowledge that the Vietnamese occupying forces have never hesitated to use force against innocent civilian population to achieve political gains, he said.

Son Sann arrived here this morning for a three-day visit to Britain. He is to meet political party officials and members of Parliament tomorrow and is scheduled to have a meeting with British Prime Minister Margaret Thatcher and Foreign Secretary Geoffrey Howe on Friday.

XINHUA COMMENTARY ON 2D EUREKA CONFERENCE

OW071246 Beijing XINHUA in English 1218 GMT 7 Nov 85

["Commentary: Eureka Takes Huge Step Forward by Xia Zhimian" -- XINHUA headline]

[Text] Bonn, November 6 (XINHUA) -- The second Eureka ministerial conference, which ended in Hanover, Federal Germany, today, has paved the way for technological cooperation among Western European countries. The two-day conference, which approved a declaration of principles and the first 10 projects for Eureka, has achieved more concrete results compared with the first conference in Paris last July. Federal German Foreign Minister Hans-Dietrich Genscher did not exaggerate when he described the atmosphere of the conference as "extremely harmonious and constructive" and said the session has made "Eureka take a huge step forward".

It only took six months for the 18 Eureka member states to formulate the declaration of principles after French President Francois Mitterrand proposed last spring that Europe should offer its industry alternatives to participating in the U.S. "star wars" space weapons research program. The progress made on Eureka has left a deep impression on the people who compare its success with the impotence in recent years of the European Economic Community.

It is commonly known that a big technology gap exists between the Western European countries and the United States and Japan. Only by pooling dispersed manpower, machinery and technology can West Europe challenge the United States and Japan. The U.S. Strategic Defense Initiative has proved to be a catalyst for the promotion of technological cooperation among Western European countries.

Narrowing the technology gap with the U.S. and Japan is West Europe's new imperative. Europe's declining influence on the world economy is a result of this technological gap. The success of Eureka would restore Western Europe's decisive influence on world economy and politics.

Of course, the success of Eureka will not come easy. Plans and programs remain to be put into effect. Cooperation among 18 nations is certainly no easy job. Although the conference has reached a consensus on some main points on Eureka, major differences exist among the 18 participating countries who are split into two camps. One camp, led by France, insists that Eureka should possess financial strength to compete with the U.S. "star wars" program and to attract private enterprises and research institutions to participate in the project. French Minister for External Relations Roland Dumas made it clear that the "credibility" of Eureka is related to its financial condition. Consequently, French President Francois Mitterrand pledged one billion francs (125 million dollars) from French public funds for the program at the first ministerial conference. France also proposed setting up a permanent agency and increasing governmental involvement to ensure the success of Eureka.

Federal Germany and Britain argue to the contrary. They believe that Eureka should remain primarily a private enterprise with the least governmental interference, employing minimal public funds. They also oppose unwieldy organizational structures and suggest that Eureka should respond to the open market.

The success of the two Eureka ministerial conferences has indicated the strong desire for strengthening technological cooperation among Western European countries. But, combating interests among the participating countries are destined to make the road to Eureka a rocky one.

REPORTAGE ON VISIT OF FRG MINISTER KIECHLE

## He Kang Hosts Banquet

OW031621 Beijing XINHUA in English 1503 GMT 3 Nov 85

[Text] Beijing, November 3 (XINHUA) -- He Kang, Chinese minister of agriculture, animal husbandry and fisheries, and Mrs He gave a banquet for I. Kiechle, federal minister of food, agriculture and forestry of the Federal Republic of Germany, Mrs Kiechle and their party here tonight.

Earlier today, the two ministers held talks on further expanding agricultural cooperation between the two countries.

Kiechle and his party are here on a visit to China at the invitation of the Chinese ministry and will preside over a ceremony for opening a Federal German pavilion at the Beijing International Agricultural Exhibition. They arrived here this morning after touring Shanghai, Chengdu and Xian.

## Liu Yi Hosts Banquet

OW041758 Beijing XINHUA in English 1613 GMT 4 Nov 85

[Text] Beijing, November 4 (XINHUA) -- Commerce Minister Liu Yi gave a banquet for I. Kiechle, federal minister of food, agriculture and forestry of the Federal Republic of Germany, and Mrs Kiechle here tonight. Kiechle is to preside over the opening of a Federal German Pavilion at the Beijing International Agricultural Exhibition tomorrow.

## Meets Wu Xueqian

OW051849 Beijing XINHUA in English 1628 GMT 5 Nov 85

[Text] Beijing, November 5 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met on separate occasions with a British agricultural delegation led by Michael Jopling, minister of agriculture, fisheries and food, and I. Kiechle, federal minister of food, agriculture and forestry of the Federal Republic of Germany, and his party here today. Wu and the visitors had friendly conversations.

This evening, He Kang, Chinese minister of agriculture, animal husbandry and fisheries, gave a banquet for the British delegation.

ZHAO ZIYANG INVITES ITALIAN PREMIER TO VISIT PRC

LD070907 Beijing XINHUA in English 0735 GMT 7 Nov 85

[Text] Rome, November 6 (XINHUA) -- Chinese Premier Zhao Ziyang today once again offered Italian Prime Minister Bettino Craxi an invitation of visiting China. Calling at the Italian Prime Minister's Office, Chinese Ambassador Lin Zhong passed the message to Antonio Badini, diplomatic adviser to Craxi. According to Badini, the Italian prime minister is willing to visit China as soon as possible.

During their meeting, the Chinese ambassador and the Italian diplomatic adviser reviewed the developments of Sino-Italian relations since the two countries established diplomatic relations 15 years ago.

PENG ZHEN MEETS BULGARIAN ASSEMBLY GROUP

OW061139 Beijing XINHUA in English 1123 GMT 6 Nov 85

[Text] Beijing, November 6 (XINHUA) — Development of Sino-Bulgarian friendly cooperation is in the interests of the two nations as well as the world people, Peng Zhen, Chairman of the Standing Committee of China's National People's Congress, said here today. Peng made the comment at a meeting with a delegation from the Bulgarian National Assembly led by its Chairman Stanko Todorov.

Peng said he was glad that the contacts between the two parliaments have been resumed after a 20-year interruption. "Let bygones be bygones," he said. "What's important now is to promote friendly relations."

The two countries are both devoted to developing their national economies and improving people's life quality and hence need a peaceful international environment. In this regard, Peng said, the two countries can by all means cooperate on the basis of equality and mutual-benefit.

On relations between socialist countries, the chairman said, even socialist countries led by the communist parties should abide by the principles of mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

Todorov said he agreed with Peng that both sides should adopt a forward-looking attitude in developing their bilateral relations.

[Beijing XINHUA Domestic Service in Chinese at 1331 GMT on 6 November carries a report on Peng Zhen's meeting with Todorov which adds ... Present at the meeting were Chen Pixian, vice-chairman; Wang Hanbin, secretary general; and Li Qi, member of the NPC Standing Committee; and Donchev, Bulgarian ambassador to China.]

After the meeting Peng gave a banquet in honor of the Bulgarian guests.

ULANHU RECEIVES SFRY AMBASSADOR'S CREDENTIALS

OW061157 Beijing XINHUA in English 1057 GMT 6 Nov 85

[Text] Beijing, November 6 (XINHUA) -- Zvone Dragan, new Yugoslav Ambassador to China, presented his credentials to Ulanhu, vice-president of the People's Republic of China, here today. The new ambassador arrived here November 1.

HUNGARIAN PRESIDENT RECEIVES PRC REPORTERS

OW011127 Beijing Domestic Service in Mandarin 2230 GMT 29 Oct 85

[Text] After attending the commemorative activities marking the 40th anniversary of the founding of the United Nations in New York, Losonczy, president of the Presidential Council of the Hungarian People's Republic, received XINHUA reporters. He said: the Hungarian people have shown great interest in China's development in recent years. They are happy about the achievements made by the Chinese people. Not only will such development and achievements strengthen China, but will enable it to wield much influence in the world. We are happy to see fresh developments in our bilateral relations over the past several years. We believe that further developments in Hungary-China relations, particularly in economic and trade cooperation, are in accord with the interests of both countries and peoples.

XINHUA COMMENTARY STRESSES NEED FOR ARAB UNITY

OW061421 Beijing XINHUA in English 1309 GMT 6 Nov 85

["Commentary: Impartial Stand To Assert Palestinian Cause" -- XINHUA headline]

[Text] Beijing, November 5 (XINHUA) -- The President of Egypt Husni Mubarak declared Sunday that Egypt opposed attempts to exclude the Palestine Liberation Organization from talks aimed at resolving Mideast issues. The following day, King Husayn of Jordan also warned that Jordanians could not take the role of Palestinians and Mideast peace could not succeed without the participation of the PLO.

Their statements have reasserted the Palestinian cause at a time when the PLO has suffered several dramatic setbacks.

First, Israel conducted an air raid on PLO Headquarters on October 1 attempting to kill its leaders. Then they hawked the so-called "suggestion for peace" to end the war at the U.N. Assembly meeting on October 21, insisting on unilateral negotiations with Jordan. Israel unreasonably argued that "There is no place for the PLO in any negotiations." Simultaneously, the United States also exerted pressure upon the PLO and sent a special envoy on a secret visit to Jordan to urge unilateral negotiations between Israel and Jordan, thereby excluding the PLO. In the final analysis, Israel and the United States want the PLO to surrender so that they can manipulate the Mideast situation according to their own strategic interests, ignoring Palestinian concerns.

However the Palestine issue is at the core of all conflicts in the Mideast. In 1948, when Israel was founded, thousands of square-kilometers of Palestinian homeland was occupied and millions of Palestinians were exiled from their country. Palestinians are the main victims of the Israeli invasion and its expansionist policies.

It was not until 1964, when the Palestinian Liberation Organization was founded, that the Palestinians' struggle for recovering their homeland and their right to national self-determination acquired international prominence. After countless disasters and hard struggles, the PLO has become the sole legitimate representative of the Palestinian people and is so recognized by the Arab countries and supported by most countries in the world and by international organizations.

Israel and the United States have repeatedly tried to spurn and even to destroy the PLO, but they've failed. Their latest attempt also collapsed following the latest declarations by the leaders of Egypt and Jordan. Israel and its supports have also frequently attempted to sow the seeds of dissension among the Arab countries and the PLO by utilizing their differences and contradictions over the tactics to be employed in their struggle with Israel. The sole effective weapon for the Arab nations and their peoples to frustrate their enemies' plot of splitting them and to realize a just solution to the Palestinian problem lies in the unity of the Arab world.

In this area, there have been some encouraging signs. Recently the Jordanian and PLO leaders have held earnest consultations with each other; Syria's relations with Jordan and Iraq have improved; Algeria has proposed a summit to discuss the relationship between Egypt and other Arab countries.

The Mideast history of the last 30 years indicates that so long as most of the Arab countries stand together, the Arab-Israel conflict will be resolved. Otherwise, it is destined to fester forever.

FURTHER REPORTAGE ON ZHAO ZIYANG'S VISIT TO ARGENTINA

## Meets Congressional Leaders

OWO62110 Beijing XINHUA in English 2057 GMT 6 Nov 85

[Text] Buenos Aires, November 6 (XINHUA) -- Chinese Premier Zhao Ziyang and the Argentine Congress leaders expressed the hope that Sino-Argentine relations would be furthered. They said this when Zhao met here this morning with Argentine Vice-President and President of the Senate Victor Hipolito Martinez and President of the Chamber of Deputies Juan Carlos Pugliese at the Congress building.

In a welcoming speech, Martinez said that there are different parties in the Congress, but all of them agree on the friendly relations with China and are willing to increase exchanges with the National People's Congress of China. The Argentine Congress and people have been following China's development and feel happy when it sees the achievements the Chinese friends have made in the restructuring of their economic setup, he said.

Zhao, in turn, spoke highly of the continued efforts the Argentine congressmen have made for the development of friendship between the peoples of China and Argentina. He said he believes that the exchanges of legislatures of the two countries will forcefully promote the understanding and friendship between the two peoples. The Chinese premier also wishes the Argentine Congress a success in consolidating the constitutional democracy and realizing the national unity.

The Chinese premier also met with President of the Argentine Supreme Court of Justice Jose Severo Caballero at the judicial building later this morning.

At the meeting, Zhao said that the legal systems of the two countries are different, but the two countries face a similar task of improving the legal systems to guarantee the national economic development and people's well-being. Zhao said that much progress has been made in China's legal system, but much remains to be done.

Caballero briefed Zhao of the Argentine legal system and paid a high tribute to Zhao's visit to Argentina. Zhao's visit will help promote the Sino-Argentine relations of cooperation, he added.

Chinese State Councillor Chen Muhua and other senior members of Zhao's party were present on both occasions.

## Talks With Alfonsin

OWO62120 Beijing XINHUA in English 2104 GMT 6 Nov 85

[Text] Buenos Aires, November 6 (XINHUA) -- Chinese Premier Zhao Ziyang and Argentine President Raul Alfonsin reached agreement on a wide range of bilateral and international issues in their talks here this morning.

A Chinese official told reporters that the Chinese premier expressed his satisfaction over the smooth development of Sino-Argentine relations and appreciated the concern shown by Alfonsin over the growth of bilateral relations. [Beijing XINHUA Domestic Service in Chinese at 0222 GMT on 7 November carries a report on the Zhao Ziyang meeting with Alfonsin that adds...President Alfonsin had issued a decree to set up the "Committee for International Cooperation With Argentina."]

Zhao said that Latin America is an important force of the Third World and has played an increasing role in the world.

China sincerely hopes to establish and develop long-term and stable relations of friendship and cooperation with Argentina as well as other Latin American countries, he added.

He noted that China and Latin America have many points in common and hold identical positions on peace and development, the two major issues in the current world. "We can conduct exchanges and cooperate with each other completely beyond the differences in social system and ideology, because this conforms to the fundamental interests of the Chinese and Latin American people," Zhao was quoted as saying.

Zhao said that China has established a trade company especially for dealing with its imports and exports with Latin American countries. The Sino-Argentine cooperation has great potentials, Zhao noted, adding that he hoped the two sides would enhance mutual understanding, open up new areas and explore new forms of cooperation.

The Chinese premier also briefed Alfonsin on China's position on Central America and the debt issues facing the developing countries.

During the talks, President Alfonsin said the relations between Argentina and China are at the best stage of development. The extremely important visit paid by the Chinese premier not only can further promote bilateral relations but also push forward the active cooperation between the two countries in the international arena, he said. This is "because the two countries have identical views on the major issues of safeguarding world peace and establishing an international economic order, which are related to the destiny of the human race," Alfonsin noted.

Alfonsin said that his country attaches importance to the development of its political, economic and trade relations with China and to the South-South cooperation. Alfonsin also informed Zhao of Argentina's domestic situation and his government's policies toward the settlement of economic and debt problems facing the country.

Participating in the talks were Argentine Foreign Minister Dante Mario Caputo, Minister of Economy Juan Vital Sourrouille, and Chinese State Councillor Chen Muhua and other senior members of Zhao's entourage. [The Chinese version adds...Following the official talks, Premier Zhao met with the various envoys in Argentina from various countries.]

After the talks, Argentine Foreign Minister Caputo paid a courtesy call to the Chinese premier at the Plaza Hotel at noon, where Zhao lives during his stay in the capital. Zhao had a friendly conversation with the foreign minister.

#### Chen Muhua on Cooperation

OW062240 Beijing XINHUA in English 2222 GMT 6 Nov 85

[Text] Buenos Aires, November 6 (XINHUA) -- China welcomes cooperation with large, medium-sized and small enterprises of Argentina through various forms of co-production, joint venture and consulting services, visiting Chinese State Councillor Chen Muhua announced here today. China also welcomes Argentine entrepreneurs to make their sole investment there and start wholly-owned factories, the Chinese state councillor told about 20 leading Argentine industrialists and financiers this afternoon.

She said China is going to send some delegations and study groups to Argentina and welcomes Argentine industrialists and financiers to China to have discussions with relevant Chinese departments.

China will always abide by the principle of equality, mutual benefit and common progress and make active efforts in expanding its economic and technical cooperation and trade exchanges with Argentina and other Latin American countries, she stressed. Argentina has a developed agriculture and animal husbandry and a fairly high level of industry, science and technology, she noted. China will undertake more key construction projects in energy, communications, telecommunications and raw materials in a fairly long period of time in addition to technically upgrading several hundred thousand existing enterprises, the Chinese state councillor said.

There has been a good start in Sino-Argentine economic and technical cooperation with the signing of a series of business agreements between the two governments, she said, adding that she hoped there will be an early settlement of the cooperation projects including those that have been discussed and those still under discussion. She urged the two sides to promote economic ties through more forms such as compensation trade and barter trade.

Marked progress has been made in the Sino-Argentine cooperation since the two countries established diplomatic ties in 1972, she recalled, adding that the 1984 trade volume between the two countries reached 110 million U.S. dollars and the figure for this year is expected to reach 200 million U.S. dollars.

China opens its door to all countries, developed and developing countries alike, the Chinese state councillor said. She stressed that China attaches great importance to South-South cooperation and works hard to strengthen its economic and technical exchanges with the rest of the Third World countries.

At present, China has trade ties with more than 40 Latin American countries and regions, she said. Last year alone, she continued, 741 Sino-Foreign joint ventures were set up in China, more than the total of the preceding five years since 1979 when China introduced the open policy. China also established four special economic zones and opened 14 coastal cities and some coastal areas, the Chinese state councillor added.

#### Honored by Argentine Council

OW070230 Beijing XINHUA in English 0214 GMT 7 Nov 85

[Excerpts] Buenos Aires, November 6 (XINHUA) -- Chinese Premier Zhao Ziyang was accepted as an honorary member of the Argentine Council for Foreign Relations here this afternoon.

A certificate of the title was presented to the Chinese premier by the acting Chairman of the Council, Dr. Jorge Aja Espil, in a meeting at the Alvear Palace Hotel. The meeting was presided over by President of the Argentine Chamber of Deputies Juan Carlos Pugliese, who briefed an audience of more than 500 of what Zhao has done in the past years.

Zhao delivered a speech at the meeting to elaborate what's going on in China and China's foreign policy. Zhao's speech won applause from the audience, most of whom are members of the council.

Established in 1978, the Argentine Council for Foreign Relations is an academic institution engaged in the study of international issues. Most of its members are leaders of the Argentine political and diplomatic circles, former ambassadors and congressmen. Many foreign ~~at~~ men are honorary members or correspondents of the council.

## Zhao Welcomes Arms Talks

OW070031 Beijing XINHUA in English 0031 GMT 7 Nov 85

[Text] Buenos Aires, November 6 (XINHUA) -- Chinese Premier Zhao Ziyang said here this afternoon that China welcomes the resumption of U.S.-Soviet arms control talks and hoped that the two superpowers would take the lead in drastically reducing their nuclear arsenals to pave the way for a general nuclear disarmament.

Speaking at the Argentine Council for Foreign Relations, the Chinese premier said that "China consistently stands for disarmament and is opposed to all kinds of arms race, whether it is conventional or nuclear, on the ground or in outer space."

The Chinese premier is here on a five-day official and goodwill visit to Argentina, the third leg of his South America trip which has brought him to Colombia and Brazil. He is scheduled to continue the trip in Venezuela on November 9.

He said that China not only has elaborated this stand at various forums but also put it into actual practice. Having reduced the size of its military forces over the last few years, China decided this year to reduce it again by one million troops, he added. China firmly stands for the complete prohibition and thorough destruction of nuclear weapons, he reiterated.

Premier Zhao stressed, "We have claimed time and again that the few nuclear weapons China has and the limited number of nuclear tests it has conducted are solely for the purpose of self-defense." "China will under no circumstances be the first to use nuclear weapons. China has also undertaken not to use or threaten to use nuclear weapons against non-nuclear states or nuclear-free zones," he said. At present, he noted, "There still exists the danger of a world war, but the forces for preventing such a war are growing. So long as the peace-loving countries and peoples of the whole world unite and make concerted efforts, it is possible to maintain world peace."

He also expressed his appreciation for the efforts made by the Argentine Government and people for easing international tension and safeguarding world peace.

## Zhao Explains Foreign Policy

OW070056 Beijing XINHUA in English 0037 GMT 7 Nov 85

[Text] Buenos Aires, November 6 (XINHUA) -- Chinese Premier Zhao Ziyang stated here this afternoon that the basic principle of China's foreign policy is to oppose hegemonism and safeguard world peace. Zhao, who is here on a five-day official and goodwill visit, made the statement when addressing the Argentine Council for Foreign Relations.

Stressing that China pursues an independent foreign policy, the Chinese premier said, "We definitely will not enter into alliance or strategic relationship with any big power or power group, nor will we yield to any pressure from the outside." In international affairs, he said, China makes its independent judgments and decides on its attitudes according to the merits of each case and whether it is in the interest of world peace, international economic development and friendship between the peoples of various countries.

"Such a principle not only is conducive to world peace, but also in the fundamental interests of the peoples of China and various countries," he added.

"China wants to establish and develop relations with all countries on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence," he reiterated. China believes that the Five Principles of Peaceful Coexistence should be strictly followed by all countries in dealing with international relations. Countries with different social systems and ideologies can get along well with each other if these norms are observed. If these principles are violated, even the relations between countries with the same social system could become strained.

He said that China stands for equality among all countries, big or small, and is against the big bullying the small, the strong humiliating the weak. "China will never seek hegemony, and is firmly opposed to all forms of hegemonism," he declared, adding that China consistently advocates that international conflicts should be settled through peaceful negotiations, rather than resorting to force or threat of force.

As China is a developing country belonging to the Third World, Zhao said, the strengthening of its solidarity and cooperation with other Third World countries is "a cornerstone of our foreign policy."

He reaffirmed that China will make continuous efforts together with other developing countries in improving the South-North relations and in strengthening the South-South cooperation. "China will always stand by the side of the Third World countries in the struggle for the establishment of a new international economic order," Zhao added.

#### Zhao on Goals of Visit

OW070106 Beijing XINHUA in English 0044 GMT 7 Nov 85

[Text] Buenos Aires, November 6 (XINHUA) -- Chinese Premier Zhao Ziyang said here this afternoon that his current visit to four Latin American countries including Argentina is aimed at promoting the Sino-American friendship and relations of cooperation, the economic relations and trade in particular.

Speaking at the Argentine Council for Foreign Relations, the Chinese premier said that China's policy of opening to the outside world applies not only to developed countries but to the developing countries as well. "The active expansion of cooperation with Latin American countries in the fields of economy, trade and science and technology has become an important part of South-South cooperation," Zhao said.

He said that China and Latin American countries, instead of having fundamental conflicts of interests, have extensive common interests. Both China and Latin American countries experienced similar sufferings in the past and are facing the common task of developing their economies. "There exists a solid foundation for cooperation between us," he declared.

The developing countries with the majority of the world population are certain to be developed, Zhao said. "It is a common aspiration of various countries to safeguard world peace, strengthen international cooperation and promote common prosperity," he noted. He stressed that there is an increasing number of people in the world, who have become aware that the development of the Third World countries is indispensable to the world economic prosperity.

However, he noted, the irrational old international economic order still hinder the development of the Third World countries.

Zhao expressed his sympathy for the debtor countries in Latin America, saying that China supports reasonable demands put forward by Argentina and 10 other major debtor countries in Latin America in various meetings. He called on creditor countries to take into consideration the world economic situation and the future and consult with debtor countries to seek a reasonable solution to the debt problem on the basis of promoting the repayment capability by assuring the debtors' development.

Highly appraising the peaceful solution of the dispute between Argentina and Chile over the Beagle Channel, Zhao said, China supports Argentina's stand for a peaceful settlement of border disputes with its neighboring countries.

Zhao said, "The Chinese Government will, as always, support Argentina's claim on sovereignty over Malvinas Islands," adding China hopes that Argentina and Britain will reach a just and reasonable settlement of the problem as early as possible through peaceful negotiations in accordance with the related resolutions adopted in the United Nations.

Referring to bilateral relations, he noted, since the establishment of their diplomatic ties 13 years ago, the friendship and relations of cooperation between China and Argentina have made "encouraging progress." He also expressed the belief that there will be brighter prospects for friendly relations and cooperation between China and Argentina and other Latin American countries so long as they make continuous efforts.

On the home situation, the Chinese premier said that China plans to realize its four-modernization program in two stages. In the first stage, from 1980 to the end of this century, China will quadruple its gross national product (GNP) and in the second stage, the first 50 years or so of the next century, it will proceed to reach or approach the level of the developed countries. He said that China's GNP has increased at a speed of 8.2 percent annually and its average annual growth rate in exports and imports has reached 22.5 percent for six years running since China started restructuring its economic setup and opening to the outside world. "China's national economy has now embarked on a course of steady, sustained and coordinated growth."

The Chinese premier affirmed that China will firmly pursue the policy of opening to the outside world, and, on the basis of equality and mutual benefit, establish economic and trade relations with other countries, including import of foreign funds and technology, economic and technological exchanges, so as to speed up China's modernization drive.

He said that China's policies of restructuring its economic setup and opening to the outside world have gained support from the people of all nationalities in China and extensive understanding and sympathy from other countries. "We will firmly carry out the fixed principles which will remain unchanged," he stressed.

#### Zhao Stresses Cooperation

OW070114 Beijing XINHUA in English 0057 GMT 7 Nov 85

[Text] Buenos Aires, November 6 (XINHUA) -- There exist great potential and broad prospects for developing economic, technical cooperation and trade between China and Latin American countries, including Argentina, visiting Chinese premier said here this afternoon.

The Chinese leader expressed the hope that Argentine friends, old and new, would join their efforts and bring about a big growth in these fields.

He made the remark this afternoon when he was answering questions at a meeting with Argentine industrialists and financiers, members of the Argentina and China Chamber of Commerce.

Asked about what new agreements have been reached between China and Argentina in his talks with Argentine President Raul Alfonsin, the Chinese premier said that the two sides have reached an agreement on an additional protocol about the economic and technical cooperation and trade between the two countries. But he added, what is more important is that he and the Argentine president are of the same view that "Broad prospects exist in economic and technical cooperation and trade between the two countries." Endowed with rich natural resources, the Chinese leader said, both China and Argentina have much to do in supplying each other's needs and in making up for what each other is short of.

Generally speaking, the Sino-Argentine trade relations are good, the Chinese premier said, but it is far from what it should have been with regard to the great potentiality of both sides. What stems the Sino-Argentine economic, technical cooperation and trade from growing is neither the different social systems of the two countries nor the long geographical distance, the Chinese premier said. It is the lack of mutual understanding of each other, he said, explaining that neither knows what the other has or needs. "Therefore," he said, "the two sides should increase exchanges of visits of personnel, promote mutual understanding and study."

"Secondly," the Chinese premier said, "it seems to me that we haven't found a better way to expand our trade and economic and technical cooperation." Starting from the actual situations of China and Argentina as well as other Latin American countries, the Chinese leader said that "barter trade, most probably, is a good way to develop our trade." It may be difficult for a particular enterprise, but has broad prospects for a country as a whole, the Chinese leader said.

To help pave the way for this, the Chinese premier announced, the Chinese Government has decided to set up a comprehensive Latin American trade corporation, taking care of imports and exports of various commodities. And he hoped that the Argentine Government and the Argentine industrialists and financiers present there today all will consider this issue.

The Chinese leader said that the Argentine president agreed with him when he put forward his suggestion during their talks this morning. "So, we have reached an understanding which is very significant to expanding Sino-Argentine trade," the Chinese leader said.

Basilio Serrano, chairman of the Argentina-China Chamber of Commerce, said that he was very glad to learn that China has set up a Latin American trade corporation.

#### Zhao Hosts Banquet

OW070810 Beijing XINHUA in English 0645 GMT 7 Nov 85

[Text] Buenos Aires, November 6 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang gave a return banquet at the Chinese Embassy here this evening to thank his host Argentine President Raul Alfonsin and other senior government officials.

Speaking at the banquet, the Chinese premier said that the warm hospitality and sincere welcome accorded to him and his entourage illustrated that the people of China and Argentina are of one heart though the two countries are far away from each other.

His meetings and talks with President Alfonsin and other Argentine officials and friends, old and new, showed that there is no conflicts of fundamental interests between the two countries and they share many common grounds, particularly, the identical stand and common interests in peace and development, the two major issues of fundamental importance in the world today. "Therefore," Premier Zhao said, "the two countries should support each other."

The Chinese premier said that his current visit to Argentina will help pave the way for the Sino-Argentine relations to enter a new stage.

In reply, Argentine President Alfonsin said that though Argentina and China are far away from each other and they have different cultures and roads of development, this is not an obstacle to their sharing of identical views on all the major issues in the world today. The Argentine president said that he and his Chinese guest, Premier Zhao Ziyang, hold the same view that China and Argentina should join their efforts morally to seek peace so that mankind may avoid a catastrophe. Premier Zhao's current visit to his country is a milestone in the annals of the relations between Argentina and China, the Argentine president said, adding that this has provided Argentina with "a firm determination to develop the bilateral relations."

Among the more than 120 guests present at the banquet were Congress leaders of Argentina, Foreign Minister Dante Caputo and other Cabinet members as well as Argentine Ambassador to China Hector Alberto Subiza. Also present at the banquet were senior members of the Chinese premier's party.

#### ZHAO ON COMMON GROUND BETWEEN PRC, L. AMERICA

HK060843 Beijing RENMIN RIBAO in Chinese 2 Nov 85 p 1

[Report by correspondents Guo Weicheng and Lan Caiji: "Zhao Ziyang on Solid Foundation for China, Latin American Countries To Develop Friendly Cooperation"]

[Text] During his visit to Colombia and Brazil, Premier Zhao Ziyang emphatically pointed out on different occasions that the common ground between China and the Latin American countries is the solid foundation for them to develop friendly cooperation. Premier Zhao explained that this common ground is based on the following eight aspects:

First, we have shared the same historical experiences and suffered from long-term foreign exploitation and plunder;

Second, in order to shake off the yoke of colonialism and win national independence and liberation, our peoples have waged protracted and heroic struggles;

Third, we belong to the Third World and are confronted with the common task of developing our national economy and improving the people's living standards;

Fourth, we are large countries abounding in natural wealth, our peoples are hard-working and intelligent, and we have great potential for development;

Fifth, in order to eliminate the state of underdevelopment as quickly as possible, we need a long-term, peaceful international environment to carry out national construction;

Sixth, we cherish hard-won national independence and pursue an independent, nonaligned foreign policy;

Seventh, we respect the right to self-determination of all countries and are against foreign interference and power politics; we support the solution of international disputes through peaceful talks without the use of force or armed threat; we stand for the relaxation of the tense international situation and the safeguarding of world peace; and

Eight, we are victims of the unjust international economic order so we maintain North-South dialogue, South-South cooperation, and the establishment of a new international economic order.

Premier Zhao said that the purpose of his trip to the four Latin American countries is to comprehensively explain the common ground between China and the Latin American countries. He has brought with him a piece of information for the leaders of the four Latin American countries: The Chinese Government highly values friendly cooperation with the Latin American countries and is willing to establish and develop relations of friendly cooperation with all Latin American countries based on the principles of "peace and friendship, mutual support, equality and mutual benefit, and common progress."

#### BRAZILIAN MAGAZINE INTERVIEWS ZHAO ZIYANG

OW061840 Beijing XINHUA in English 1817 GMT 6 Nov 85

[Text] Brasilia, November 6 (XINHUA) -- Chinese Premier Zhao Ziyang said in an interview published here today that the great distance separating China from Brazil is no longer an insurmountable obstacle in the way of their cooperation. Prospects for economic and technological interflow between China and Brazil are "most encouraging," he added.

Asked in the interview with the Brazilian magazine VEJA about what does China have to offer to Brazil and what does China want to buy from Brazil, Zhao said, "Each of the two countries has its own strength in natural resources, products and technology.... Brazil could supply China with iron ore, timber, steel products, aluminium ingots, synthetic fiber, pulp and paper and motor vehicles. In return, China could supply Brazil with petroleum, coal, rice, maize, cotton, pharmaceuticals and machinery."

Asked whether China is heading toward capitalism as a result of the economic reform, the premier answered that in carrying out the structural economic reform, "China abides by two fundamental principles: One is the absolute preponderance of socialist public ownership and the other is prosperity for all." He explained that the socialist state apparatus can use economic levers and legislation and necessary administrative measures to make sure that the reform proceeds in the direction of socialism. "Consequently, our reform will not turn China into a capitalist country. On the contrary, it will speed up the progress in building socialism in China."

Answering the question whether or not the current policies of economic reform will change, Premier Zhao said that the policies of restructuring and invigorating the economy and opening to the outside world suit the needs of the country and enjoy the whole-hearted support of the people. "Any policy which falls in step with the march of times and is welcomed by the people cannot really be changed. If there will be any change, it will be the ones for the better," he said.

Asked to what extent China's course is guided by the tenets of Marxism-Leninism, Zhao answered, "We always maintain that the basic principles of Marxism-Leninism should be integrated with the practice of the Chinese revolution and construction. Marxism-Leninism is a science which seeks truth from facts and develops itself in practice. We are opposed to the erroneous tendency of negating the basic principles of Marxism-Leninism as well as the tendency to divorce it from the specific conditions of a given country and hold it up as a set of dogmas."

Asked about the future of Hong Kong, Macao and Taiwan, the premier said that Hong Kong will be a special administrative zone under the central government by 1997 and the National People's Congress will promulgate a basic law governing the zone. "There will be no change in the existing social system, economic order and way of life in Hong Kong in 50 years. The population of Hong Kong will enjoy a high degree of autonomy in governing the place themselves." This, he said, will guarantee Hong Kong's continued stability and prosperity and its status as a free port and an international finance and trading center.

"Macao is part of China's territory and the Chinese Government will solve the problem by entering into negotiations with the Portuguese Government in accordance with the concept of 'one country, two systems' and in a way very much similar to the way the problem of Hong Kong was solved," Zhao said.

He went on to say: "Now, Taiwan is somewhat different; but we are also prepared to settle the problem of Taiwan in accordance with the concept of 'one country, two systems'. What is more, the policy to follow will be even more favorable to it. For instance, after China is reunified, Taiwan will be allowed to maintain its own army. Peaceful reunification of our country is the aspiration shared by people on both sides of the Taiwan Strait. We hope the problem would be solved through Kuomintang cooperating once again with the Communist Party. And the earlier, the better."

Asked to explain China's approach to its relationships with the two superpowers, Zhao answered: "It is China's desire to have normal and amiable relations with both the Soviet Union and the United States. China also hopes to see better relations between the United States and the Soviet Union."

He emphasized that China follows an independent foreign policy. "China determines its policy by itself on international affairs, each according to its own rights and wrongs. It refuses to pursue rope-walking or what is called 'equi-distance' diplomacy, nor will it enter into an alliance or a strategic relationship with any of the big powers."

#### ZHANG JINGFU MEETS CANADIAN DELEGATION 6 NOV

OWO61141 Beijing XINHUA in English 1118 GMT 6 Nov 85

[Text] Beijing, November 6 (XINHUA) -- State Councillor Zhang Jingfu met here this afternoon a Canadian agricultural delegation led by J. Peter Connell, vice-minister of agriculture.

During its stay here, the Canadian delegation attended the first session of the Sino-Canadian Joint Agricultural Committee. The committee approved the 1986-1987 plan for Sino-Canadian cooperative projects on agricultural and animal husbandry studies including those on water resources in dry areas, animal health, and milch cow breeding.

RENMIN RIBAO REVIEWS NUCLEAR INDUSTRY DEVELOPMENT

HK060857 Beijing RENMIN RIBAO in Chinese 1 Nov 85 p 3

[Article by Liu Jie: "A Victory of the Socialist Road to Scientific and Technological Development With Chinese Characteristics -- in Commemoration of the 30th Anniversary of the Founding of the Nuclear Industry"]

[Text] Our country's nuclear industry has been developing for 30 years since its founding. As a one-time participant in the process of developing the nuclear industry, when reviewing the experience and achievements in this process, I deeply feel that the most important reason for our success in commanding the technologies for nuclear arms and nuclear power at a higher speed and at a lower cost than other countries and in founding and developing an integrated nuclear scientific research and industrial system is the fact that we have adhered to an ideological line of seeking truth from facts and have formulated correct policies in line with China's realities so as to open a socialist road with Chinese characteristics for the development of nuclear science and industry.

Our country's nuclear industry was founded in 1955, when we had just begun to conduct planned economic construction. In those days, our scientific research foundation and industrial foundation were both rather weak. In order to promote the modernization of national defense and to break the imperialists' nuclear monopoly and nuclear blackmail, the party central leadership resolutely made the strategic decision to found and develop our own nuclear industry, develop our own nuclear armaments, and promote the use of nuclear power in the national economy. In April 1956, Comrade Mao Zedong pointed out in his speech "On the Ten Major Relationships:" "We are stronger than before and will be stronger still in the future. We will have not only more planes and artillery but atomic bombs, too. If we are not to be bullied in the present-day world, we cannot do without the bomb."

In order to ensure the success in the work of developing our nuclear industry, the party central leadership exercised a high degree of centralized leadership over this work. In July 1955, the central leadership decided to form a three-member leading group consisting of Comrades Chen Yun, Nie Rongzhen, and Bo Yibo to take charge of the development of the nuclear industry. In the same year, a special responsible organ was established in the third office of the State Council under the leadership of Comrade Bo Yibo. In November 1956, the State Council set up the Third Ministry of Machine-Building, which was in charge of the nuclear industry (it was renamed the Second Ministry of Machine-Building in 1958), and Comrade Song Renqiong was appointed the first minister. In November 1962, the research work for making atomic bombs and the development of the nuclear industry entered a crucial stage, because the first nuclear test explosion had to be carried out within 2-years' time.

The central leadership decided to set up a 15-member special commission to exercise direct and all-round leadership over the nuclear industry. Comrade Zhou Enlai was the director of the commission, which consisted of such proletarian revolutionaries of the older generation as He Long, Li Fuchun, Li Xiannian, Nie Rongzhen, Bo Yibo, Lu Dingyi, and Luo Ruiqing and some leading comrades of the departments concerned. In those days, Comrades Liu Shaoqi, Deng Xiaoping, Chen Yi, and other central leading comrades also concerned themselves with, and gave concrete guidance to, the development of the nuclear industry. This effectively ensured the smooth development and successive successes in the making of atomic bombs and the building of nuclear facilities.

Another important reason for the rapid development of our nuclear industry was the correct implementation of the principle of relying mainly on our own efforts by making full use of all internal and external advantages so as to seek the most effective way to realize our strategic objectives.

We highly valued all existing experience in the world and all available external assistance. We seriously organized our scientific and technological personnel to study and apply all available technical information from abroad so that we dared to make a leap forward "by standing on other people's shoulders." This enabled us to have a higher starting point, to save time and investment, and to win a higher development speed.

At the same time, we also had our feet planted in the reality of our country and adhered to the principle of combining foreign things with our own creations. We relied on our own efforts to conduct scientific research and to resolve technical problems; we not only trained cadres but also aroused the initiative of the masses; we based all our plans and decisions on experiments, which enabled us to command technology and advance steadily. In 1960, foreign assistance suddenly stopped, and we could not obtain any equipment or technical information from outside. This indeed caused great difficulties for us. We had to rely completely on ourselves to develop many key technologies. Especially in the development of the technologies for nuclear arms, we had to make explorations and studies by ourselves. However, because we had a clear and correct guideline and we further implemented the principle of self-reliance under the new situation, our work in the nuclear industry was neither disrupted nor stopped; on the contrary, we quickened our pace and achieved unexpected successes.

The nuclear industry is a new technology-intensive industry, and the development of the nuclear industry was an enormous and complicated project of systems engineering, which involves the economic, technological, and social fields and various departments. Comrade Zhou Enlai pointed out: The work of the nuclear industrial department must be strictly in line with our political principles, must be carried out in a scientific and planned way, and must maintain discipline. In September 1962, in the light of the characteristics and regularity in the development of the nuclear industry, by applying the methods of systems engineering to our work, we bravely set forth the goal of carrying out the first nuclear test explosion within 2-years' time despite the unfavorable conditions in those days, and worked out an overall plan for achieving this goal. Then, all quarters concerned closely cooperated in their work and made concerted efforts. The construction of all facilities in the nuclear industry advanced harmoniously. The situation was rapidly turned into a favorable one and developed rather smoothly.

In November 1962, Comrade Mao Zedong issued a directive that "all parties concerned should spare no effort to assist this work." This effectively mobilized all industries in the country to actively assist the development of the nuclear industry. According to statistics, the units participating in the process of making and testing the first atomic bomb included more than 1,000 research institutes, factories, and colleges subordinate to the Chinese Academy of Sciences, 25 ministries (including the metallurgical industry, machine-building industry, electronics industry, aeronautics industry, astronautics industry, ordnance industry, ship-building industry, railway, and education), and 20 provinces, municipalities, and autonomous regions (including Qinghai, Gansu, Nei Monggol, Xinjiang, Shanghai, and Beijing), and various departments and services of the PLA. The nationwide cooperation gathered our resources and formed a huge advantage. This was precisely the secret of our success in commanding the most advanced nuclear technology in modern times when the technological and industrial foundations in our country were still rather weak. It also fully demonstrated the superiority of the socialist system in our country.

The ranks of our nuclear industry personnel were comprised of people who had lofty ideals and a high sense of discipline. They had a high degree of political consciousness and were well disciplined. They came from all parts of the country and left their familiar work in order to contribute to the development of China's nuclear industry. They left cities and settled down in deserts, snow-covered plateaus, and remote mountains, working in extremely difficult conditions for a long time. Especially in the early 1960's, serious difficulties existed in our economic construction and in our people's livelihood.

However, the people in our newly established nuclear industry demonstrated an indomitable spirit in their work. They had only one desire. That was to dedicate their all to the motherland, to science, and to the development of the nuclear industry.

People still often mention the cooperative and dedicated spirit that we showed in the process of making and testing the first atomic bomb and the first hydrogen bomb and say that this spirit should be carried forward in developing new technologies. Indeed, the historical experience is still of immediate significance.

Since the 3d Plenary Session of the 11th CPC Central Committee, our nuclear industry has entered a new stage. Under the premise of guaranteeing the fulfillment of its military related tasks, the nuclear industry has shifted its work focus to serving the national economy and the people's livelihood. In recent years, some new achievements have been made in this industry, including the successful transformation of a heavy water experimental reactor, the building of some high-flux reactors, the making of part No 1 of the circulator, and the successful development of minireactors. A nuclear power station designed by our country is now under construction, and the project is making progress smoothly. The radioisotope and radiation technologies have been applied in all fields for civilian purposes. All this shows that the nuclear industry, as a new branch of science and a new industry, is now playing a great role in our modernization process, and shows bright prospects. It is my wish that the nuclear industry will develop more remarkably in the drive to boost China's economy and will make greater contributions to the realization of the grand objective set forth by the 12th CPC National Congress.

#### NUCLEAR INDUSTRY NOW SERVING NATIONAL ECONOMY

HK060743 Beijing ZHONGGUO XINWEN SHE in Chinese 1149 GMT 4 Nov 85

[Roundup by reporter Dai Yaping: "Second Takeoff of China's Nuclear Industry"]

[Text] Beijing, 4 Nov (ZHONGGUO XINWEN SHE) — China's nuclear industry has entered the age of "full maturity." All signs demonstrate that it has concluded the history of its long-term service to the military alone and its self-isolation and has begun a new stage of serving the national economy.

Foreign countries have regarded this turn in China's nuclear industry as "removing the long-standing veil of mystery," while China's nuclear industrial departments regard the tasks confronting them in opening up to the outside world and to all domestic departments as the "second takeoff of China's nuclear industry."

China first built its nuclear industry in 1955. In the following 7 years, China successfully mastered the technology for the atomic bomb and the hydrogen bomb. China went on to develop and manufacture nuclear-powered submarines and to equip the Army with nuclear weapons, thus enabling China to join the ranks of nuclear powers.

Over the 3 decades, China has established its own nuclear scientific research and industrial system, which has a certain scope, forming a complete set with an overall layout, as well as a complete nuclear fuel circulation system, which includes the surveying, extracting and smelting of uranium, and a nuclear weapons manufacturing system. The progress in nuclear technology has brought along the development of some new branches of science in China. At present, China has already set up its own nuclear medicine, nuclear agriculture, nuclear environmental protection, and processing industries employing nuclear radiation; and China has also mastered the technology of nuclear analysis and measurement, nuclear-tracing technology, and nuclear automatic control technology.

China's nuclear industrial department has already listed the building of nuclear power stations and the development of nuclear power as its main task for a certain period from now on. The construction of the infrastructure of Taishan nuclear power station, the first of its kind in China, has been completed. Now, the construction of its surface structure is under way. It is estimated that, beginning from 1989, it will begin to supply power to the eastern coastal areas, which have a great demand for power. China's nuclear industrial department has also participated in the design and construction of the Guangdong nuclear power station and southern Jiangsu nuclear power station, and has started to build the first batch of nuclear power stations in some regions. China's exploration and development of new energy resources is under way. China's first nuclear fusion device -- circulator No 1 -- began operation in 1984.

The uranium production department of China's nuclear industry has begun to produce and to store nuclear fuel for nuclear power, while continuing to supply the Army with uranium products. At present, such uranium products as low-enriched uranium and metallic calcium are exported to foreign countries. Statistics have shown that China's uranium resources will be enough to supply the needs of nuclear power stations with a capacity of 15 million kilowatts for 3 decades, apart from satisfying military needs.

So far, China has constructed 10 reactors applicable to production and power production. In 1984, China's nuclear industry transferred defense industrial technology to civilian production, which has brought in an income of 450 million yuan. Over the years, China has cultivated more than 160 fine varieties of wheat, rice, cotton, and beans using nuclear radiation, accounting for one-third of the total number of varieties cultivated using nuclear radiation in the world.

In more than 800 hospitals in China, radioactive isotopes are used in the diagnosis and treatment of diseases. The number of patients undergoing such diagnosis and treatment is 18 million per year. The accuracy rate for diagnosing thyroid disorders by means of radioactive isotopes is between 85 and 95 percent.

The technology of nuclear analysis has been applied to research in physics, chemistry, biology, medicine, geology, archaeology, and environmental protection. More than 1,700 sets of apparatus for checking nuclear radiation have been put to use in industrial production in the textile, printing, paper-making, plastic, oil, and chemical industries.

According to Jiang Xinxiong, minister of nuclear industry, China's nuclear industry is undergoing a change from solely military purposes to a military-civilian combination, from a scientific research production type to a production-managerial and opening-up type, from self-isolation to opening up to the outside world and domestically, and from fulfilling the tasks for development and manufacturing to raising economic results as the key. The realization of these changes will enable the nuclear industry to bring into play a greater and greater role in the construction of the national economy.

#### REPORTER DESCRIBES LIFE AT GOBI NUCLEAR PLANT

HK051515 Beijing ZHONGGUO XINWEN SHE in Chinese 0201 GMT 5 Nov 85

[Report by staff reporter Dai Yaping: "A Nuclear Plant in the Gobi Desert" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 5 Nov (ZHONGGUO XINWEN SHE) -- Along the Silk Road at the foot of the Qilian Shan, we headed for the immense Gobi Desert. Our destination was China's nuclear component manufacturing plant located in the desert.

We got off the train, looked around, but saw no plant. A Japanese-built tourist bus drove us toward the depths of the Gobi Desert, and a green belt, with green trees, meadows, brooks, flowers...gradually emerged before us. Tall buildings towered above the green woods.

Our hosts told us that we had come in the best season for the Gobi Desert. Had we come in the windy season, we might have seen a peculiar sight -- "crushed stones as big as basketballs rolling everywhere in the wind as though in a stream."

More than 10,000 residents live in this oasis, which has been turned into a new city. In the evening, lights illuminate the city and stars twinkle in the sky. An enormous modern nuclear integrated industrial complex located 10 km away from the residential quarters operates day and night, producing goods for military and civilian use.

We toured different sections of the integrated complex. Our guide told us that the after-treatment plant, the largest of them all, was the most interesting one to visit. Nuclear wastes and components of the nuclear reactor are treated and purified in this plant to extract valuable ingredients. The after-treatment plant consists of three parts. The first part is the working area, isolated from the outside by a 1.8-meter-thick reinforced-concrete protecting wall, where radioactive wastes are treated. The second part is the maintenance area where only workers in protective clothing are allowed. The third part is a free area where workers operate the plant using robots and meters. Our itinerary was limited to the corridor of the third area along the outer circle. Everything was neat and clean. The floor was covered with plastic sheets as in a hospital, and various types of meters and control knobs could be seen fitted to the walls. Although we could look inside the plant from time to time through small windows with yellow protective glass, this did not dispel our feelings of wonder.

Zhu Linfang, director of the main factory, pointed out: This after-treatment plant built in the Gobi Desert, has especially favorable conditions. It is located far from densely populated districts, and there are no outside residents within a radius of dozens of kilometers. Since the plant is situated in the wind gap of the Gobi Desert and the wind velocity can reach as high as 17 meters per second, radioactive particles cannot accumulate. The area has a rainfall of only 100 mm or so a year, whereas the evaporation rate is more than 4,000 mm a year. This is an unfavorable condition for growing flowers but definitely a great advantage to the nuclear industry and the nuclear after-treatment plant.

Director Zhu said: This plant has treated a large amount of nuclear wastes for China in the past years and has gained rich experience in the field of after-treatment, now part of the nuclear power industry. China's installed nuclear power capacity will reach 10 million kilowatts by the year 2000, and the after-treatment plant, as an indispensable link in the chain of nuclear fuel recycling, will make its essential contribution to the development of the country's nuclear power industry.

#### EXPERT REFUTES CRITICISM OF PRC FAMILY PLANNING

HK040913 Beijing RENMIN RIBAO in Chinese 25 Oct 85 p 3

[Article by Wu Cangping, professor at People's University of China: "Practicing Family Planning Is an Objective Demand Imposed by Our Country's Social and Economic Development"]

[Text] Thanks to the implementation of a correct population policy under the guidance of correct theories, China has achieved universally acknowledged success in its family planning work and has enlisted the support of the people in their hundreds of millions.

However, a handful of Americans who do not understand China's actual circumstances have recently attacked our family planning work by saying that China is making a futile attempt to solve its population and economic problems by practicing planned parenthood. They have also put a label "population determinism" on China's family planning work. Regarding these irresponsible views, the Chinese people have the right to say: Gentlemen, you have put things upside down. The Chinese Government has always opposed the idea that too big a population and rapid population growth are the main cause of a country's backwardness and poverty. The Chinese Government does not believe that success in controlling population growth can readily solve all problems.

In the relationship between population and social economic development, we maintain economic determinism. From the viewpoint of historical materialism, population and population growth are not the main force that determines social development. The main force is the mode of production in society, that is, the constant development of social productive forces and the continuous readjustment of the corresponding production relations. In addition, the growth and quality of the population can promote or retard the progress of social economic development.

With a population of 540 million, China's economy was extremely backward before liberation. At that time, the people lived in dire poverty. However, the Chinese revolutionaries rejected and criticized all theories of "population determinism." On the eve of the founding of New China, Dean Acheson, then U.S. secretary of state, analyzed the Chinese revolution in his white paper based on the idea "population determinism." He attributed the revolution that occurred in China to its large population not having enough to eat. In his article "The Bankruptcy of the Idealist Conception of History," Mao Zedong refuted Acheson's "population determinism" and put forward the famous thesis: "revolution plus production" can solve the problem of feeding the Chinese people.

China's population increased rapidly during the period after liberation. Comments from abroad blamed China and regarded its failure in controlling the population growth as a grave mistake. China summed up both the positive and negative experience in its population and profoundly realized that the only way to solve the problems of employment, education, housing, consumption, and feeding the people was to develop production and practice family planning. This later became national policy. We made such a summarization not according to our subjective will, but in light of our profound understanding of China's population, economy, and environment and the objective law of human development, through careful consideration. Facts have proven that it was a scientific summarization.

First, family planning is the only way out for the continuous development of human society. According to the current natural reproduction capacity and life span of the human, the population can increase by several fold within a century, which is more than human society can stand. Therefore, it is imperative for mankind to control its growth. As a matter of fact, planned parenthood is practiced in the families of all developed countries. It is the internal affair of a country whether or not it publicly makes family planning its policy. With a population of more than 1 billion and a density three times that of the world's average and four times that of the United States, China, instead of concealing its viewpoint, has publicly made family planning its basic national policy. Only in this way we can organize and mobilize the masses to conscientiously practice family planning and take part in the activities to control population and improve its quality. Nevertheless, we maintain that developing production is the only way to improve the people's living standard.

Second, practicing family planning is an objective demand of China's modernization program. It is hardly imaginable that China could achieve modernization in all fields with the rapid growth and low quality of the population.

Therefore, we must also realize modernization in population reproduction, that is, gradually reduce the rates of birth, mortality, and growth, and improve the quality of the population. The purpose of our population policy is to control the population and improve its quality.

Third, from a long-term point of view, family planning can help protect China's ecological environment. Generally speaking, China is a big country with abundant resources. However, the per capita ownership of major natural resources is lower than the average for other countries. For example, the area of land available for each Chinese is only one-third of the world average (farmland, one-third; grazing land, one-fourth; forests, one-ninth; and fresh water, one-fourth). The average is much lower compared with the United States. China's per capita farmland is only one-third of the U.S. average and its forests, one-tenth. In light of China's current productive forces and scientific and technological level, uncontrolled population growth will inevitably aggravate the already heavy pressure on the environment as well as social and economic resources. Low per capita resources make it difficult to raise the standard of living. Family planning can help control the rapid population growth and regain the ecological balance that has been disrupted by excessive land reclamation, grazing, and crop cultivation. Fundamentally speaking, birth control, just like cherishing farmland, protecting vegetation, water and soil conservation, afforestation, and other environmental protection measures, is essential to the interests of China's future generations.

Owing to the periodic differences in population growth, it is quite natural for a country to adopt different policies for different periods. The call "one child per couple" raised in 1979 was a special policy put forward by China for a specific historical period, because China's birth rate reached a new peak beginning in 1962. An annual birth rate of more than 20 million lasted for more than 10 years, with annual births of more than 25 million during 10 of those years. This generation will join the child-bearing ranks from 1985 to the end of the century. According to the 1982 census, there were 368 million people between the ages of 5 and 19, and average of 25.43 for each age group. If each couple in this population group had 2.2 children, the resulting population increase would be 368 million by the end of the century. Confronted with such great reproduction potential, we have every reason, for the fundamental interests of the whole nation and to prevent China's population from becoming too big, to make the birth rate of this generation slightly lower than the replacement level. It is quite obvious that the call "one child for each couple" raised by weighing both the gains and losses does not mean that all couples, without exception, should have only one child. For reasons we have already stated clearly, this policy has been well-received by the board masses and couples who have reached child-bearing age.

While practicing family planning in a big country with a population of 1 billion, including 520 million who have reached child-bearing age, it would be unimaginable to make no mistakes at all. Slips are unavoidable in some places within a certain period. China's mass media has exposed these defects, which show that these practices run counter to our policies. As China is a large country, even if the mistakes and shortcomings account for 1 per thousand, more than 10,000 people would be involved. Although the defects accumulated from some localities constitute a large number, they cannot represent the overall situation. The one-sided conclusion claiming that China resorted to coercive means in practicing family planning, which encountered strong opposition from the masses, does not tally with the facts. Thus, it is not a scientific conclusion. Innumerable facts have irrefutably proved that family planning conforms to the objective demand of China's social development and embodies the aspirations of the majority of the masses.

First, China now has a population of 520 million who have reached child-bearing age, more than twice that of the U.S. population. The population of the young people between the ages of 20 and 34, who are in the prime of reproduction, totals 240 million, equivalent to the total population of the United States.

It is hardly imaginable to reduce the average rate of more than five births per couple to a little more than two births by resorting to force within a period of 10 years or so. Is it not true that very powerful force would be necessary to compel several hundred million people to do something that they were not willing to do? The people can see without prejudice that it would be impossible for China to practice family planning without the understanding, support, and concerted efforts of the broad masses who have reached child-bearing age.

Second, the couples who have reached child-bearing age are the main force of production. If family planning is against their will, they would resist and oppose the policy. Consequently, their initiative for production will inevitably be dampened. However, facts have proven that the years when we achieved fruitful results in family planning were precisely the best period of China's economic development, in the rural economy in particular. During this period, the living standard of the laborers improved and their initiative for production reached an unprecedented height. The majority of the masses, including the peasants, have realized that the interests of the state, family, and individual in birth control coincide. They have combined efforts to consciously practice family planning with efforts to develop production and improve the standard of living.

Third, the prerequisite for effectively practicing family planning is to transform the reproduction outlook of the couples who have reached child-bearing age. China's economic development and social changes over the past 30 years have laid a series of social conditions for the transformation of the reproduction outlook. For example, the drop in mortality rate of babies; popularization and improvement in education; the development of mechanization or semi-mechanization in production; the change in the production setup; the all-round improvement in living standards; the elimination of the influence of feudal ideas; the increasing number of small families; the elevation of women's positions, large numbers of women participating in social work; and producers having a strong desire to master science and technology. These positive changes and the free supply of contraceptives in China have offered all kinds of favorable conditions. The majority of couples are willing to consciously practice family planning as long as the state gives correct guidance. Our theoretical analyses and judgments will go astray if we indiscriminately use outdated ideas and take the drop in Western birth rate by the end of the 19th century and early 20th century as an example against which to view China's current changes.

Fourth, the successes in family planning are inseparable from the population and family planning propaganda conducted by China over the past 10 years. The extensive scale of China's population publicity, the large numbers of organizations established, and the thorough work conducted in this field are universally acknowledged. In order to effectively carry out publicity and education, China has set up various kinds of population publicity and information centers. The institutions of higher learning in China have set up population faculties and family planning management colleges and run different kinds of training classes. Population courses are also offered in some secondary schools. More than 30 population research organizations are established in the Academy of Social Sciences and the institutions of higher learning throughout the country. There are now five kinds of population magazines distributed to the public and even more distributed on a restricted basis internally. Population societies and family planning associations have been set up by the provinces and municipalities throughout the country. The efforts made by China in population and family planning publicity are seldom seen in other parts of the world. This indicates that China's successes in family planning are not accidental. It also shows that China gives priority to publicity in the work. Obviously, it is absurd to seize upon a few mistakes in our family planning work to slander our basic policy.

WRITERS ASSOCIATION RESTORES SEVEN COMMITTEES

HK060636 Beijing ZHONGGUO XINWEN SHE in Chinese 1429 GMT 5 Nov 85

["A Meeting of the Presidium of the Chinese Writers Association Decides To Restore Its Seven Committees" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 5 Nov (ZHONGGUO XINWEN SHE) -- A decision was made at the third presidium meeting of the fourth Chinese Writers Association today to restore the activities of the seven committees under the writers' association.

The responsible persons of the seven committees are as follows: The chairman of the Commission for Encouraging Creativity is Ding Ling [0002 3781] and its vice chairman is Shao Hua [7300 5478]; the chairman of the Commission for Literary Critics is Feng Mu [7458 3668] and its vice chairman is Xie Yongwang [6200 3057 2489]; the chairman of the Commission for Protection of Writers' Legal Rights and Welfare is Chen Huangmei [7115 5435 3561] and its vice chairmen are Zhang Qie [1728 6951] and Zhang Xi [1728 0296]; the chairman of the Commission for Chinese and Foreign Literary Exchanges is Ye Junjian [0673 0689 0256] and its vice chairmen are Zhu Ziqi [2612 1311 1142] and Deng Youmei [6772 0645 2734]; the chairman of the Commission for Military Literature is Liu Baiyu [0491 4101 5038] and its vice chairman is Ge Luo [5514 3157]; the chairman of the Commission for National Minority Literature is Tiypjan [Tie yi fu jiang 6993 5902 3940 3068] (Uygur nationality) and its vice chairmen are Malqinhu [Ma la qin fu 3854 2139 3084 1133] (Monggol nationality) and (Wureertu) [Wu re er tu 3527 3583 1422 0956] (Ewenki nationality); and the chairman of the Commission for Literary Periodicals Work is Wei Junyi [7279 0689 1355] and its vice chairmen are Li Ziyun [2621 1311 0061] and Fan Cheng [5400 4453].

JINGJI RIBAO VIEWS PRC CONSUMPTION PATTERNS

HK050420 Beijing JINGJI RIBAO in Chinese 19 Oct 85 p 1

[Article by Li Ping: "China Should Have Its Own Consumption Patterns"]

[Text] Yuan Fang, a professor in the department of sociology at Beijing University, is of the opinion that the issue of consumption should be a major subject in sociology studies, and that it is necessary to study people's consumption aspirations, activities, and habits, to study how one's consumption activities are affected by the consumption activities of other people, and to study the stimulatory role that is played by certain types of propaganda and many other factors on people's consumption activities. He also said that it is necessary to distinguish between our consumption structure and that of Western developed countries, to understand the differences in the level of consumption, to study the evidence that shows that different levels of consumption are based on different levels of economic and cultural development, and to study possibilities for imitating others' consumption patterns.

Comrade Xiaoping has repeatedly pointed out that we have a very large population but have a poor foundation, and that China is a developing country and its productive forces are still very backward. We should therefore have a correct understanding about the relationship between production and consumption. Yuan Fang's view is that not many of China's 1 billion people can enjoy high consumption at present. However, high consumption on the part of a few stimulates the high consumption aspirations on the part of many.

Of course, this kind of simulatory role is also played by certain types of propaganda, such as television and advertisements. When studying people's consumption activities, it is also necessary to study where the money and the consumer goods of high consumers come from. This is a major factor determining people's consumption patterns. Certain people abuse power by seeking personal gain, make use of networks of relationships, and take advantage of loopholes in the lack of strict economic management to enjoy their high consumption. Apart from having an impact on the consumption aspirations of others, this also has an adverse effect on social mood. Those who earn their living through hard work should all the more be industrious and thrifty in managing their households. This does not mean that we should not live a happy life, but we should live within our means. We are entitled to eat and dress better but we should not blindly imitate the consumption patterns of Westerners. From this we can also see what people are seeking and what their values are. The question of building a high degree of spiritual civilization also exists in the field of consumption.

'COMFORTABLY WELL-OFF LIVING STANDARD' DEFINED

HK050406 Beijing JINGJI RIBAO in Chinese 19 Oct 85 p 1

[Article by Wang Guangzheng: "A 'Comfortably Well-Off Living Standard' Does Not Necessarily Mean Woolen Clothes, Delicious Food, Electric Housewares, and Vacations"]

[Text] Li Zongzheng, an associate professor at the Chinese People's University's department of politics and economics, has said that in order to live, people need to consume goods. Satisfied needs will give rise to new needs, and these new needs will further push forward the production development. Nevertheless, in the final analysis, consumption depends on production. If production does not develop, increasing consumption will become empty talk. With penetrating insight, Marx regarded the idea of giving first priority to production as a fundamental principle of political economies. In the West, because of the development of the inherent contradictions of the capitalist system, during the late 1870's, demand gradually became the center of economic studies. Some economists once advocated the practice of a high consumption economy. However, this does not mean that Western economics attaches no importance to production. The pursuit of maximum production efficiency is the focus of the modern Western economic research. The blind advocacy of a high consumption economy regardless of the level of social economic development not only does not conform to the fundamental principle of Marxist economics, but shows a failure to understand the essence of Western economics.

The strategic aim set out in the 12th CPC Congress to be fulfilled in our country by the end of this century is "to quadruple the annual gross value of the industrial and agricultural output" and "reach a comfortably well-off living standard" under the condition of "constantly increasing economic effectiveness." "Constantly increasing economic effectiveness" is a very important condition. In order to create this condition, it is necessary to make extremely strenuous and protracted efforts to carry out structural reform and technical renovation and to develop production across the country. This condition cannot be miraculously created overnight but must be gradually created. Therefore, in conclusion, we cannot all of a sudden reach a "comfortably well-off living standard." The task confronting us is that we should continue to be hardworking, thrifty, and dedicated to vigorous efforts to make the country prosperous.

In my opinion, the so-called "comfortably well-off living standard" does not necessarily mean woolen clothes, delicious food, electric housewares, and vacations. Even when we have completed the task of quadrupling the annual gross value of the industrial and agricultural output by the end of this century, we will still not have attained such a consumption level. For example, if every one of the 1 billion people makes himself a suit of woolen clothes, how much woolen cloth would be needed?

Since this amount is beyond the domestic production capability, it would have to be imported. How much foreign exchange would it cost? Or, as it stands that the electricity production in our country is not sufficient and some areas have reduced electricity supply, if the housewares of every household all become electrified, how much electricity will be needed? When electricity is in short supply, will the supply of electricity for production be affected? Nevertheless, the present living standard of our country as a whole has not yet reached the comfortable well-off standard. Even when we reach this standard, there would still be a gap between the level of our country's economic development and that of the developed countries, so we still cannot practice a high consumption economy. However, by then we will be in easier circumstances and can live comfortably and fear no shortage of material resources. However, at present we should continue to work hard and make a sustained effort to practice a strict economy.

Working hard and practicing a strict economy means neither a return to the time of "leftism" when consumption was restrained and the improvement of the people's material and cultural living standard was ignored, nor encouraging the people to be ascetic monks. We only maintain that the improvement in living standard should be based on the objective possibilities for economic development.

JINGJI RIBAO COMMENTATORS URGES BUILDING CONSUMPTION

HK050346 Beijing JINGJI RIBAO in Chinese 19 Oct 85 p 1

[Commentator's article: "Correctly Guide Consumption"]

[Text] Under the guidance of the party's policy of making China strong and the Chinese people prosperous, in recent years the people's living standard has been attractively enhanced, beginning a transfer from a sufficiency in food and clothing to a comfortably well-off level. This is the fruit of our economic reform and construction and an important sign of our good economic situation. However, under such circumstances, we must guard against the tendency, of a blind pursuit of "high consumption."

Blind pursuit of high consumption is unrealistic and harmful to the sound development of the economy and society. In line with the actual situation in our economic and social development, China should only advocate a comfortably well-off level and structure of consumption, and regard this as a goal to be attained by the end of the century.

What does a comfortably well-off level of consumption really mean? It means that we should not only satisfy the basic needs of the people's lives and help them attain sufficiency in food and clothing, but we should also raise the quality of their lives step by step. For example, we are entitled to eat better, but we should not go in for lavish dinner parties and extravagance; we are entitled to live better, but we should not strive to build buildings that go beyond our present standards; we are entitled to wear better clothing but it is wrong to think that all our clothes must be made of wool; and we can produce some kinds of electric household goods, but this does not mean that all households should be electrified. It is impossible for everything we have to be of high quality and to match the living standards in developed countries. We should not put undue emphasis on modernization in daily life and ignore a comfortably well-off living standard.

Taking a comfortably well-off level of consumption as a goal to be attained by the end of the century is determined by the relationship between consumption and production. Consumption spurs production. This reflects one side of the problem. However, fundamentally speaking, production determines consumption. Consumption can only rise as production develops.

As is known to all, to attain a highly developed material and cultural life for the Chinese people is the ultimate aim of our four modernizations. From our subjective desire, of course, we hope we will raise the consumption level of our people as quickly as possible. However, our present developmental level of the productive forces is still relatively low and our drive for modernizations is just unfolding. We still have a lot of things to do and many undertakings to start. Therefore, we must establish a proper ratio between accumulation and consumption. It is impossible for us to raise our consumption to a high level overnight with no regard to our present production level. We can only raise it step by step as production develops. Referring to such a mutual relationship between consumption and production, Comrade Mao Zedong gave a brilliant and vivid explanation: "When production expands by 10 percent, we can only increase the welfare of the masses by 1 percent." This means that an increase in consumption directly depends on an expansion of production, and the range of the increase in consumption should be smaller than that of production expansion so that there will be a bigger increase in consumption through expanded reproduction. Therefore, we should not advocate an unrealistic level of consumption. We must teach the broad masses to know that the basic way to raise the level of consumption is to develop the productive forces.

Furthermore, consumption should be kept on a level with the income of the majority of people. Thanks to the reform and the policy of opening up to the world and enlivening the domestic economy, in recent years the income of the Chinese people has somewhat increased. This is gratifying. However, comparatively speaking, such an increase is still very small for the majority of people. The number of "10,000-yuan households," who have become prosperous through hard work is still insignificant. Their standard of living might be higher than others', but we should not blindly advocate high consumption in an improper way because the income of the majority of the masses cannot withstand high consumption. There is no hiding the fact, that due to the imperfection of our legal system and tax management, a few "10,000 yuan households" are "upstarts" whose income does not come by honest means. If we take their level of consumption and concept of consumption as the general ones to be attained by society, we will be setting unrealistic goals.

Such a concept about consumption will confuse us ideologically to a certain extent. In dealing with the question of consumption, we should therefore proceed from the actual conditions of our 1 billion people and from the actual situation, which finds the majority of the people just transferring from a living standard of being sufficient in food and clothing to a comfortably well-off living standard. We must advocate a comfortably well-off level and a structure of consumption, which is in keeping with the present level of the productive forces and the income of the broad masses of the people.

In short, not only should we insist that the scope of economic construction match the national strength, but we should also maintain a rational level of consumption. Even at the end of the century, we should still advocate the principle of building the country through thrift and hard work and improving to the best of our ability the people's living standard step by step.

#### RENMIN RIBAO COMMENTATOR ON PREMATURE CONSUMPTION

HK061149 Beijing RENMIN RIBAO in Chinese 5 Nov 85 p 1

[Commentator's article: "Consumption Level Should Be Suited to the National Conditions"]

[Text] At present, we should pay attention to solving the issue of "premature consumption." What does the so-called "premature consumption" mean?

We may have some idea from the following examples in our life: Some enterprises kept increasing bonuses and welfare benefits for their workers although they did not develop their production; some units vied with each other in importing luxurious cars and other consumer goods without regard to the state's financial system; although there were only a very small number of "10,000 yuan households" in our country, their living standards and consumption pattern were publicized in a big way by the mass media for a time, and this immediately aroused some people's unrealistic consumption desires.

People's consumption level can be raised only on the basis of production development, and can never be suddenly raised to a high level due to wishful thinking. Before liberation, China was one of the poorest countries in the world, and the vast majority of the population lived in hunger and cold. Since the founding of New China, by making great efforts over many years, especially through the reforms in recent years that have aroused the initiative and creativity of millions of the people, we have finally defeated hunger and cold and have basically ensured that the people have sufficient food and clothing. This is undoubtedly a great achievement. However, sufficient food and clothing do not mean wealth. We still have to work hard and make painstaking efforts in order to advance to standards of living that can be called "comparatively well-off" and "wealthy."

If we adhere to the principle that "welfare grows one inch while production grows one foot," we will be able to ensure the development of the productive forces. Conversely, if we let "welfare grow one foot while production merely grows one inch," our national wealth will simply be used up and we will have no resources to expand production. At present, our economy remains at a rather low level, and economic development in various localities is uneven. It is impossible now for the economy to meet an excessively high consumption demand. If all people vie with each other in eating the best food, wearing the best clothes, and having the best living conditions, our consumption pattern will become contradictory to China's present economic conditions. Such "premature consumption" will just lead to a "quick decline" in production. The practice of allowing people to "eat their corn on the blade" will exhaust the financial and material resources of the country and will thus inevitably affect the development of the national economy. When production cannot develop, consumption certainly cannot be increased either. It is very easy to understand this fact.

In China, which has a population of 1 billion people, people's consumption will remain for a rather long time to come, at the level of "having sufficient food and clothing" while gradually developing to the level of "being comparatively well-off." On the basis of ensuring sufficient food and clothing for the people and carrying out the principle of building the country through thrift and hard work, we may gradually raise the quality of our food, but this never means that we can indulge ourselves in extravagant eating and drinking; we may live in a bigger house, but we should not build over-luxurious houses; we may wear more comfortable clothes, but this does not mean that all our clothes must be made of wool, silk, or other expensive materials; we may have some electrical appliances for household purposes, but we should not try to buy every kind of electrical appliance... In short, our consumption level should be in line with China's national conditions and should be determined by the developmental level of our productive forces. We must never be over anxious to get imported and luxury goods and seek luxury and extravagance.

The unevenness of production development between various localities, departments, and industries and the differences in people's capabilities lead to a multi-tiered consumption structure in our country. Some localities, enterprises, and individuals who have become rich ahead of others should be allowed to raise their consumption level as long as their consumption is based on their legitimate incomes. Of course, we should adopt a progressive taxation system to appropriately restrain excessively high income. This system has been adopted by many countries in the world.

Here, we must emphatically point out that at present, some people's high incomes do not come from legal business activities or from their hard work. Instead, they gain high incomes through various illegal channels, such as evading taxes, violating laws and regulations, or abusing their powers... To deal with these problems, we must continue to perfect our legal system and take punitive action against people who gain illegal incomes. Their illegally earned incomes should be redistributed and used so as to increase production and consumption. We should not indiscriminately praise people who are able to gain high incomes and to consume extravagantly without considering whether their incomes are legal and legitimate.

We have entered an important stage in China's economic development, and our people's consumption has begun to develop from the level of "having sufficient food and clothing" to the higher level of "being comparatively well-off." Our goal is to raise the people's living standards to the level of "being comparatively well-off" by the end of this century. We must now have a realistic attitude to approach to the issue of consumption, which should be brought into line with our national capacity and our people's living standards in general. We should continue to educate the people so that they maintain the tradition of building the country and running their homes through thrift and hard work.

#### RENMIN RIBAO ON INDISCRIMINATE FEES ON PEASANTS

HK060621 Beijing RENMIN RIBAO in Chinese 1 Nov 85 p 1

[Editorial: "Proceed in All Cases From the Interests of the People"]

[Text] The "circular of the CPC Central Committee and State Council on banning the indiscriminate collection of funds and fees from peasants" is a very important document. Our leading comrades at all levels in various localities are expected to conscientiously study and implement this circular.

The CPC Central Committee and the State Council demand that comrades of the whole party and cadres at all levels "firmly adopt the concept of serving the people and proceeding in all cases from the interests of the masses and from reality." It must be pointed out that some comrades' faith in this concept has become blunted as compared with the times of revolutionary war. Indiscriminate collection of funds and fees from peasants is evidence of the fact that their faith in the concept has become blunted. It may weaken the masses' support for our party. The CPC Central Committee and the State Council have issued the circular just in good time. Our comrades of the whole party and cadres at all levels should warmly respond to and conscientiously implement this document.

Our party and government have always attached great importance to banning the indiscriminate collection of funds and fees from peasants. In the past 2 years, the party and the government have repeatedly mentioned this issue in relevant documents and put forth some methods to solve it. Why did many localities keep on adding to the burden on the peasants every year regardless of the central authorities' appeals? The crux of the problem lies in the fact that the leaders of some localities and departments have been divorced from the masses and reality. It is an undeniable fact that the situation in rural areas has been excellent and the peasants' livelihood has been improved in the past few years.

However, some comrades have overestimated the degree of wealth of the peasants, and some newspapers and periodicals (including our newspaper) have one-sidedly publicized cases of "10,000-yuan households" emerging in rural areas, "color-television villages," peasants' sightseeing tours by plane, and so on.

It seems that the peasants in rural areas have become so rich that they cannot spend all their money. In fact, this is the case for only a very few people among the 800 million peasants in the country. So far, the majority of the peasants have just solved the problem of food and clothing, and peasants in some remote and border areas are still leading a hard life. Due to the unrealistic impression of the degree of wealth of the peasants and the tendency to go in for extravagance and ostentation prevailing in some places in recent years, different departments at different levels have tried to extort money from the peasants, arousing strong grievances among them.

The best solution to this problem is to let the leading comrades of different departments regularly visit rural areas, especially those places situated farther from the outskirts of cities and from highways. This would be very helpful in ensuring that they proceed in every case from reality.

In order to build rural areas, many departments wish to do peasants good turns. Their intention is indeed good. However, we must proceed in every case from reality; in other words, we must bear in mind the limits that the peasants can afford. Projects must be started one after another and year by year, and in order of priority. The masses cannot afford to start, with undue haste, too many projects with high standards within too short a period. Some departments just consider problems in light of their own conditions, arguing that each peasant household has to pay only several yuan to start a project. They just do not understand that the masses will no longer be able to afford the expenses if a dozen departments start their own projects all at once.

Our peasants are very hard working and intelligent. Under the CPC's long-term leadership, they have wholeheartedly supported socialism. In the wake of the development of production and the gradual increase in their income, they are definitely willing to fulfill their obligations to the state and society. We must treasure highly the peasants' initiative, strictly restricting charges on the peasants within the limits imposed by the laws and regulations of the state and within what the peasants can afford.

We must not only be moderate in imposing fees on the peasants but must also use funds properly and efficiently. We must adhere to the method of "limited fund quotas for specific projects" and check the phenomena of "different departments acting in their own way" and starting projects arbitrarily. It is necessary to set up the necessary approval, administrative, control, and financial supervisory systems.

The key to lightening the peasants' burden lies in our leading cadres at all levels having to attach great importance to this issue and take specific measures to deal with it conscientiously. The "Circular" demands that drastic measures be taken to solve the issue once and for all. This is a real need, a major issue that has an important bearing on the links between the party and the masses and the long-term peace and stability of the state. The whole party and our cadres at all levels surely must make great efforts to deal with it properly.

HONGQI DISCUSSES 7TH 5-YEAR PLAN GROWTH TARGET

HK061045 Beijing HONGQI in Chinese No 20, 16 Oct 85 pp 40-42

[Article by Wei Liqun: "Why Is the Target of the Economic Growth Rate in the Seventh 5-Year Plan Set Lower Than That in the Sixth 5-Year Plan?"]

[Text] The "recommendation of the CPC Central Committee on formulation of the Seventh 5-Year Plan for the national economy and social development" specified that the average yearly growth rate of the gross value of national output in the "Seventh 5-Year Plan" period be set at above 7 percent. The average annual growth rate of the gross output value of industry and agriculture was set at about 7 percent, with that of agricultural output at 6 percent and that of industrial output, at 7 percent. This economic growth rate is lower than the level actually realized in the "Sixth 5-Year Plan" period. Why is such a demand made and what is its significance?

Rationally determining the economic growth rate is the key to correctly formulating the plan for the national economy and for social development. Speaking from the strategic standpoint, only through attaining a relatively high growth rate for the national economy is it possible to realize, at an early date, the objectives of making the country rich and strong, and the people prosperous and affluent, and of catching up with, or even surpassing, the economically developed countries.

Recently, a certain degree of economic growth has been necessary not only for expanded reproduction but also for continuously improving the people's standard of living and making the requisite preparations for vigorously developing the economy during the 1990's. However, this does not mean that the higher and faster the economic growth rate, the better. The national economy is a composite body in which various departments and various factors interact with each other in a complex and complicated manner, and economic growth has its own objective standards: First, each department and each link must develop proportionately and only through a proportionate development can there be a high growth rate. Second, there must be good economic results, yielding a higher and better output from relatively lesser input, and only when there are good economic results can there be a really high growth rate. Third, social production techniques must be constantly improved and this is an important road to, and a landmark of, the raising of the modernization level of the national economy. Fourth, the people's consumption level must be raised and the people must derive actual benefits from the economic development. Finally, and this is also very important, the growth rate must be beneficial to economic work in its entirety and must be able to manifest the integration of current interests with long-term interests.

All the above constitute not only the inherent demand of socialist economy but also a guarantee for the long-term coordination, stability and sustained development of the national economy. If the objective demands are disregarded and a high growth rate is one-sidedly sought after, then the growth rate for a short period may be rather high but such a growth rate is not beneficial to the long-term development of the economy as a whole.

The economic growth rate recommended for the "Seventh 5-Year Plan" period by the CPC Central Committee was based on a scientific analysis of historical experiences and on the present condition and trend of development of the economic life of our country and constitutes an important policy focused on economic work in its entirety.

During the "Sixth 5-Year Plan" period, our country's economic growth rate has been continuously speeded up. It is anticipated that in the 5 years the average annual growth rate of the national industrial and agricultural gross output value can exceed 10 percent, already higher than the average annual growth rate of 7.2 percent required for quadrupling the gross output value by the end of this century. Viewed as a whole, this growth rate is normal and is the result of the economic readjustment, reform of the economic structure, and opening to the outside world. However, since the 4th quarter of 1984, the growth rate of industrial production has been too rapid. From October to December last year, compared with the corresponding period of the preceding year, it increased by 17.9 percent, while from January to July this year, compared with the corresponding period of last year, it increased by 22.8 percent. To a definite degree, such a high growth rate was the result of the stimulus from the inflation of investment demand and consumption demand while a portion of the increase resulted from squandering a large amount of foreign exchange on importing raw materials and commodities in odd lots. Thus, this high growth rate embodies certain abnormal factors.

Viewed from the economic situation as a whole, it is entirely necessary and correct to lower somewhat a growth rate that now tends to be on the high side. This is based on the following reasoning:

First, it helps in overcoming certain unstable factors in the country's current economic life. Generally speaking, our current economic situation is rather good. However, in its advancement, there are certain new and unstable factors. The major ones are: The scale of the investment in fixed assets is too large; the growth in consumption funds is too vigorous; the increase in credit and loan funds is too rapid; the rise in the prices of certain commodities is too high; and the country's foreign exchange reserves have fallen too much. There are various causes for these problems but of them the most direct and fundamental is the too rapid increase in the economic growth rate. In the national economic cycle, an inherent relationship exists between an increase in production and an increase in investment. If the demand on the production growth rate is too sudden and too high, it will necessarily bring about too fast and too large an increase in investment and if the demand for production and the demand for investment are too large, it will naturally lead to credit inflation and a rise in commodity prices. Hence, taking the initiative in lowering the growth rate a little will help in keeping the blind expansion in the scale of investment under control, easing the stringent state in the supply of energy and raw materials and in communications and transport, and maintaining a balanced state in credit and loan funds and basic stability in commodity prices. This will enable the national economy to progress in a stable, healthy, and sustained manner.

Second, it is beneficial to the all-round and intensive development of the reform of the economic structure. Reform of the economic structure requires the presence of a relatively stable and relaxed economic environment. Principally speaking, reform requires enlivening the enterprises and invigorating the whole national economy. If the economic relations are too tense and too tight, the supply and demand contradictions are too sharp and violent, and the rise in commodity prices goes out of control, then there will be no way of carrying out many reforms. Moreover, reform of the economic structure requires the guarantee and support of definite financial power and adequate material resources. Setting a high growth target will affect the basic balancing of gross demand and gross social supply. Our purpose in moderating the growth rate that is currently on the high side is to ensure that we can seize the opportunity to efficiently press on with the structural reform and to prepare the conditions for long-term and stable economic development.

Third, it helps in further, and rationally, readjusting the industrial structure and the structure of the products. Following the readjustment made in recent years, the proportionate relationships between agriculture and industry and between light industry and heavy industry in our country have become generally coordinated.

But concretely speaking, the present industrial structure and structure of the products are still far from meeting the demands of the modernization of the national economy and the demands of raising the consumption level of the people and bringing about changes in the consumption structure. For example, agriculture, the basic department of the economy, is still rather deficient in strength, the production areas of the consumer goods industries are comparatively narrow and limited, the basic industries and basic facilities such as energy, communications and transport, information and raw materials are extremely fragile, while the tertiary industry, which serves production and livelihood, is seriously behind the times.

In pursuance of the objective demands for developing the national economy, to rationally readjust the existing industrial structure and structure of products is an important task related to the continued and healthy development of the economy. And to fulfill this task, it is necessary to readjust, either by raising or lowering, the growth rate of certain industrial departments and also to suitably readjust the scale and structure of investment. If the demand on the growth rate is too high but stringency is found on all sides, then the readjustment of the industrial structures and the structure of the products will be greatly impeded.

Fourth, it helps in drawing the attention of various sides to improving the quality of the products and seeking economic results. Experiences from history and reality have amply demonstrated that too high a demand on the growth rate will lead to one-sidedly seeking increases in the quantity and value of output and to disregarding improvement of quality and economic results.

Recently, the long-standing situation in our country of poor product quality, the high consumption rate of raw materials, and the high cost of production has not only remained basically unchanged but has also worsened in certain respects. This shows that in many regions, departments, and enterprises, the phenomenon of seeking a high growth rate and large output volume still exists and that efforts have not been made to shift economic work to the track of taking the improvement of economic results as the central task. It should be seen that vigorously improving quality and economic results has a pivotal significance both in solving the contradictions that may be encountered in the economic development during the "Seventh 5-Year Plan" period and in fully realizing the strategic targets by the end of this century.

The current state of the poor quality of products and poor economic results is directly related to the backwardness in economic control and enterprise management and slow progress in technology. Slightly lowering the overly high growth rate helps in leading the various parties concerned to devote their efforts to improving the management level and promoting technological progress, to seeking increased production along with improvement in quality and to attaining speed along with improving the economic results, thus enabling our country's economy to truly take the road of a relatively realistic growth rate, relatively good economic results, and more and better benefits to the people.

The "Seventh 5-Year Plan" period is a key period witnessing the transformation of our country's economic structure from the old and ossified pattern to a new pattern that is full of life and vitality. In socioeconomic life in the course of reform and transformation, certain new conditions that cannot be anticipated may emerge. In order to handle in a better way the new problems that may suddenly arise, the target plans must provide for some leeway. Historical experience has shown that providing some leeway in the plans but achieving surplus results makes the people happy, adds initiative to work, and is harmless and beneficial.

GUANGMING RIBAO ON IMPROVING SOCIALIST MARKET

HK030802 Beijing GUANGMING RIBAO in Chinese 19 Oct 85 p 3

[Article by Wei Jie: "Develop and Perfect the Socialist Market"]

[Text] The "draft proposal of the CPC Central Committee for the Seventh 5-Year Plan for national economic and social development" regards the work of further perfecting and developing the socialist market as one of the three important tasks of economic structure reform during the period of the Seventh 5-Year Plan. I think that to further perfect and improve the socialist market, we should start work with the following three aspects:

Perfecting and Developing the Socialist Market System

The socialist market system is an organic entity of various kinds of socialist markets, including the market for the means of subsistence, the market for the means of production, the job market, the capital market, and the intellectual product market. With regard to the problem of the socialist market system, the task we are facing is, while continuing to expand the market for the means of subsistence, to establish and develop the market for the means of production, the job market, the capital market, and the intellectual product market as rapidly as possible.

The key to developing the market for the means of production lies in doing well the work in the following three regards: We should do well in reforming the price system of means of production and implementing the guiding principle of combining the policy of opening up markets and allocation of products in order to gradually rationalize the prices of means of production. We should do well in reforming the existing system of material supply, and completely change the practice of "eating from the same big pot" prevailing in the relations of enterprises to the state. We should do well in establishing and perfecting the basic apparatus of the market for the means of production, and the laws and decrees concerning it.

To establish the job market, we should, first of all, solve the problem of understanding. We should on no account think that the labor force has become a commodity because of the establishment of a job market. The job market is only a method for increasing employment. Its essential aim is not to turn the labor force into a commodity. Furthermore, we should define the forms and principles governing the job market in order to ensure its normal operations. Apart from that, we should correctly solve the practical problems arising in the process of establishing the job market in order to demonstrate the superiority of the socialist system.

To establish the capital market, we should: 1) speed up the reform of the banking system; 2) develop multichannel, multilayered and multidimensional movement of capital; 3) employ various kinds of financial tools such as stocks, bonds, bills and so on; and 4) gradually develop various kinds of financial institutions.

The market for intellectual products is mainly composed of two parts of market activities: 1) various kinds of technological and trade activities, including technical contracts, technical services, technical transfer, and so on; 2) various kinds of market and information service activities, including providing information service, information consultative service, information transfer, and so on.

To develop the market for intellectual products, we should enact the laws and decrees concerned that will ensure normal operation of the market for intellectual product, effective control of the prices of the market, and establish and perfect the special and basic apparatus needed by the market.

#### Perfect and Develop Socialist Market Mechanisms

Socialist market mechanisms refer to an organic and restrictive system composed of important factors including price, competition, and supply and demand, which plays a direct role in the socialist market. Price, competition, supply and demand, as important factors of market mechanism, have their own independent role. However, they are also mutually conditional and interact. Price as an indicator of profits and the relations between supply and demand are important factors in the driving force of the market mechanism. The key to giving play to the role of prices lies in making prices flexible so that they can fluctuate in accordance with the changes of labor productivity, the relations between supply and demand, and value. This has required that we change the existing price system. Since the conditions for reforming the entire price system do not yet exist, we should implement a price system that integrates fixed prices with floating prices and continuously expand the scope of floating prices until ultimately they are completely free.

Competition is a basic factor in the market mechanism. The role of the market mechanism is mainly reflected in competition. Therefore, we should provide good operational conditions for competition, that is, we should enable enterprises to truly become relatively independent producers and operators of commodities; we should enable enterprises to obtain relevant economic interests through competition; and we should establish an open and complete socialist market system.

The key to giving play to the factor of the market mechanism lies in striving for balance between supply and demand as a whole. In the meantime, we should also ensure that supply slightly exceeds demand in order to avoid the tense situation when supply falls short of demand. This urges us to exercise control over demand. The process of social distribution is an ultimate source for the formation of demand. Therefore, to exercise control over demand, we should exert our main efforts to exercise macro control over the process of social distribution.

#### Perfect and Develop the Socialist Market System

The socialist market system is an organic entity in the form and method for administering the socialist market. It is mainly formed by various organizational systems and the market administration of the social market. Specifically speaking, it mainly covers the organizational systems of market administration, planning methods, economic means, and administrative and legal means.

The organisational systems of the socialist market administration include the economic administrative institutes of industry, commerce, statistics, finance, taxation, banking, commodity prices, and so on; technical administrative institutes of measurement, testing, price investigation, environmental protection, and so on; and the relevant functional departments, the relevant political and legal departments, the relevant investigation departments, and the supervisory organizations departments, and the supervisory organizations of the masses such as consumers' associations, and so on. An urgent problem that the organizations in charge of socialist market administration need to solve is to do well the work of the division of labor and cooperation between various organizations, transfer of manpower to strengthen various organizations, and enhancement of their level of market administration.

The planning methods for socialist market administration is an important component part of the socialist market system. Whether the socialist market can operate healthily is, to a great extent, determined by our capability of controlling it in a planned way. To control the market in a planned way mainly means directing the operation of the market so that it progresses along the direction determined by state planning, correcting any deviations made in the market operation, and the choice of the scope of production so that they conform with socialist orientation.

The economic means of socialist market administration mainly refer to financial and monetary means. They exercise control over two important economic factors: 1) the factor that plays a direct role in the market mainly includes prices, supply and demand as well as competition; 2) the factor that plays an indirect role in the market mainly includes wages of workers and staff members, monetary incomes of peasants, profits, interests, tax, investment in construction, circulating funds, allocation of funds, monetary circulation, and so on.

The administrative means of market administration mainly refers to economic policies with emphasis on economic levers and administrative coercive measures, such as policy for the market, policy for commodity prices, policy for taxation, and so forth. The legal means for market administration mainly refer to economic laws and decrees that should be compulsorily enforced. They include law on market administration, law on competition, and so on. At present, there are two important problems in this respect: economic policies and economic laws and decrees have not yet been perfected. There is a crying need to substantiate and amend them; it is a common phenomenon that economic policies have not yet been forcefully implemented and that the laws concerned have not yet been strictly enforced.

#### JINGJI RIBAO ON BUILDING SPIRITUAL CIVILIZATION

HK050859 Beijing JINGJI RIBAO in Chinese 28 Oct 85 p 1

[Editorial: "Pay Serious Attention To Building Spiritual Civilization on the Economic Front"]

[Text] To build socialist spiritual civilization is an important goal of building socialist modernization and is a necessary condition for the realization of the four modernizations. In economic construction and the reform of the economic structure, we must stick to building the two civilizations together. Over the past few years, we have talked about why we should do this and have achieved some successes, but generally speaking, we have not paid enough attention to building spiritual civilization and have not effectively checked and resisted the corrosive ideologies and work style that have corrupted the party style and mood of the society. On the economic front, we have tended to pay more attention to production than to ideological and political work. In the fields of production, construction, circulation, and distribution, there are still some malpractices, such as disobeying the law and discipline, showing no concern for the overall situation, seeking private interests at the expense of public interests, harming the masses, and so on and so forth. These malpractices have not only seriously harmed party style and the social mood but have also hindered the smooth progress of reform and affected the healthy development of economic construction, so they must be immediately straightened out.

We have talked so much about the reason, but we have still not achieved satisfactory results in building spiritual civilization.

One of the main reasons is that some comrades have not acquired a correct understanding of the relation between building material civilization and building spiritual civilization so that they often pay more attention to the former than to the latter in their work. In order to strengthen the building of spiritual civilization, we must first improve our understanding of building spiritual civilization.

Some comrades think that it is practical and necessary to carry out production and increase economic results, but it is empty and unrealistic to build spiritual civilization. It makes no difference whether spiritual civilization is built or not. This kind of understanding has separated building material civilization from building spiritual civilization

The building of socialist spiritual civilization and the building of socialist material civilization are connected with each other and can advance together. The building of spiritual civilization mainly includes: scientific and cultural knowledge, communist ideals, beliefs, morality, work attitudes, lofty ideology and values, healthy and civilized life style and aesthetic standards, the spirit of consciously observing the law and of being highly organized and disciplined, and so forth. Generally speaking, the building of spiritual civilization means having ideals, morality, culture, and discipline. Obviously, the contents of spiritual civilization will play a direct or indirect role in the economic work and the development of production, so they are indispensable conditions for building material civilization. In eliminating the influence of "leftist" ideology, it is quite necessary for us to criticize incorrect ideas, such as "spirit is all powerful" and "empty politics." However we should not negate the dynamic role of spiritual factors. In economic construction, when the material conditions are almost the same, people can produce different results if they have different mental attitudes. A good social order, a beautiful work environment, friendly relations among comrades, and lofty communist ideals and morality can arouse people's enthusiasm in their work, enable the spiritual and moral forces to become a material force in practice and can benefit social stability and the development of production. So we can see that the building of spiritual civilization, which is closely connected with the building of the four modernizations, is quite practical and necessary. If an enterprise, a department, or an area only carries out production and does not build spiritual civilization, it will lack the development force. And even if its production has developed, it still cannot maintain the rate of development and may even develop its production incorrectly. Just as Comrade Deng Xiaoping pointed out at the National Conference of Party Delegates: "Without strengthening the building of spiritual civilization, the building of material civilization will be destroyed or hindered." In recent years, many of our regions, departments, and units have been carrying out the building of the two civilizations together so that the reform has been carried out deeply and the economy has been developing very fast. However some regions, departments, and units have only been carrying out production and have ignored the building of spiritual civilization. As a result, the Jinjiang counterfeit medicine incident, the Hainan Island vehicle incident, and other abnormal incidents have occurred, which have hindered the reform and caused economic losses. Both positive and negative experiences have told us that we must carry out the building of spiritual civilization and the building of material civilization with equal force and must not let "material civilization have a long leg and spiritual civilization have a short leg."

Some comrades believe: "Along with the development of production, spiritual civilization will naturally be built." In practical work, "the building of material civilization is the principal task and the building of spiritual civilization only accompanies the principal task." These comrades have equated material civilization with spiritual civilization and have replaced the building of spiritual civilization with the building of material civilization.

Marxism admits that the material is first and consciousness is second. The building of spiritual civilization should center on the building of the modernizations and should not depart from this great goal. A high degree of material civilization is beneficial to the building of spiritual civilization. However, a high degree of material civilization does not mean a high degree of spiritual civilization. The realization of material civilization mainly depends on the development of production, whereas the realization of spiritual civilization mainly depends on various forms of education and lively ideological work. In carrying out the building of spiritual civilization, we should not only correctly guide the people but also punish evil. As for the major ideological problems of the cadres and masses that affect the social mood, we should carry out patient and convincing guidance and education work. We should resist capitalist and feudal ideologies and resist and resolutely ban the various hideous phenomena that corrupt party style and social mood, deal with the activities that seriously violate discipline according to discipline, and deal with illegal activities according to the law. These various kinds of work cannot be done by carrying out production only.

Here, there is an important question we must make clear: What are the real strong points in our carrying out the construction and reform and can we achieve success only with material conditions? Historical experience shows that we cannot succeed. What we are presently building is socialist modernization and our final goal is to realize communism. So, our cadres and workers on the economic front should not only know production technology, science and culture, but also have lofty communist ideals and beliefs as well as a strong sense of organization and discipline. These are strong pillars in our economic construction and are the real strong points. Only when we understand these strong points and consciously bring them into play will we be wholly devoted to our work and able to work hard, carry out the reform, and invigorate our country's economy successfully.

Some comrades think that building spiritual civilization is the responsibility of the departments responsible for ideological, educational, and cultural work, and the economic front has little responsibility for it. This is a one-sided understanding.

We must clearly understand that building spiritual civilization is a matter concerning the success or failure of economic construction. The leading comrades and all the workers on the economic front must attach the utmost importance to this work. Especially during the new period of large-scale economic construction, the various ideological problems, the problems of work style, and the moral problems are often reflected in economic activities. On the one hand, we must carry out the policy of opening up to the world and invigorating the economy; on the other hand, we should prevent decadent capitalist ideology from spreading in our social life. This requires our comrades on the economic front, together with the comrades on various other fronts and in the various trades and professions, to build spiritual civilization and make due contributions to building socialism with Chinese characteristics.

#### WANG MENG ARTICLE URGES SUPPORT FOR REFORM

HK060911 Beijing RENMIN RIBAO in Chinese 4 Nov 85 p 7

[Article by Wang Meng: "Be United Around the CPC Central Committee"]

[Text] The contents of the documents of the 4th and 5th Plenary Sessions of the 12th CPC Central Committee and the National Conference of Party Delegates are very rich and important.

Bringing order out of chaos and comprehensively carrying out reform have already changed, and are changing, the face of China. We all feel that the current political and economic situation is one of the best periods since the founding of the country. The situation of literature and art is also in one of the best periods.

The proposal for the Seventh 5-Year Plan has confirmed the perseverance in and giving first priority to reform. The rural reform has already scored great achievements recognized by all. The tendency of the urban reform is also fine. As only reform can revitalize China, we must fully understand the necessity and inevitability of the reform. The reform should develop in the direction of socialism, the economic development cannot be too fast, and it is necessary to solve the new problems. This shows that the leadership of the central authorities in the reform is correct, mature, and prudent.

There is no shortcut in economic construction. Reform cannot be accomplished without painstaking efforts. It is only a fantasy to think that no sooner had the reform been initiated than foreign currency would begin pouring down from the sky. The article by Comrade Wei Junyi titled "When Did We Suddenly Get Rich?" is well-written. Reform needs a long and arduous period of time. It is only natural that some specific questions might easily give rise to different opinions. Nevertheless, the reform as a whole is being successfully carried out, and its prospects are gratifying.

The building of spiritual civilization was emphasized by the central authorities and all those attending the conference. In recent years, the social atmosphere and the party's style have improved. However, there is still a long way to go to bring about a fundamental improvement. Some evil practices that were stamped out many years ago have reappeared. People have made complaints about it.

In building spiritual civilization, we should undertake a heavy responsibility. We should enhance our consciousness to build spiritual civilization, castigate those decadent and moribund things of capitalism and feudalism, strive to educate people in patriotism, collectivism, socialism, and communism, and use our work to help the young people foster noble ideals, to improve people's level of thought, and to satisfy people's varied spiritual needs.

In his speech, Comrade Xiaoping explicitly proposed that we should regard social effectiveness as the only or the highest criterion for examining our works of culture and education and public health. While continuing to safeguard the writers' freedom of creation and to treasure and correctly use this freedom, we must strengthen our sense of social responsibility. We should strive to create works that are conducive to the "four modernizations," social progress, and the healthy physical and mental growth of youth, and should improve both the ideological and artistic qualities of literary works.

I am convinced that through study, we shall better rally round the party Central Committee, so as to create a stronger political atmosphere among literature and art workers for studying theories and discussing big events, strengthen the political centripetal force, and contribute to greatly encouraging the work and workers of literature and art and to promoting their great unity and prosperity.

FUJIAN GOVERNOR ON DIRECT TRADE WITH TAIWAN

OW060235 Fuzhou FUJIAN RIBAO in Chinese 24 Oct 85 p 1

[Text] Fujian's work on trade with Taiwan has been consolidated and is now on the right track of healthy development. Direct trade with Taiwan will be actively promoted. Governor Hu Ping said this at the fourth session of the sixth provincial People's Congress on 22 October.

Hu Pingsaid: Taiwan fishermen and medium and small industrial and commercial enterprises have always welcomed direct trade. After Comrade Deng Xiaoping put forward the concept of "one country, two systems" and after China and the United Kingdom reached agreement on the Hong Kong issue, various circles in Taiwan have responded enthusiastically and more plants and businessmen in Taiwan have expressed a desire to establish direct trade links with out province. Trade between Fujian and Taiwan has further expanded. This has played an active role in enhancing mutual understanding between the people in Fujian and Taiwan and promoting the great cause of the reunification of the motherland. However, during the period from the end of last year to March-April this year, trade with Taiwan expanded too fast and was too concentrated. Owing to inadequate ideological preparation, lack of experience, and the fact that our policies, measures, and necessary management work could not keep up with the situation, some confusion arose. Cases of importing items in violation of regulations and smuggling in the name of trade with Taiwan occurred constantly. Since March this year, the provincial government has repeatedly issued circulars and orders to improve Fujian's trade with Taiwan. The confusing situation has now been corrected. By summing up our experience and lessons, our province's trade with Taiwan is now on the track of healthy development. We will continue to actively promote direct trade with Taiwan and do a good job in our work on Taiwan. We warmly welcome Taiwan compatriots to continue to develop economic and trade relations with Fujian.

FUJIAN PROVINCIAL CONGRESS ELECTS NEW LEADERS

OW060253 Fuzhou FUJIAN RIBAO in Chinese 25 Oct 85 p 1

[Excerpt] The Fourth Session of the Sixth Fujian Provincial People's Congress closed yesterday afternoon amid the majestic playing of the national anthem. The session of the provincial People's Congress, which lasted 2 and 1/2 days, studied the guidelines of the National Conference of Party Delegates; heard Governor Hu Ping's work report; adopted a resolution on accepting the resignations of some members of the provincial People's Congress Standing Committee; and elected some new members of the Standing Committee, fulfilling all the items on the agenda.

A total of 456 deputies attended yesterday's session. Executive chairmen of the session were Hu Hong, Cheng Xu, Cai Li, Wang Yan, Guo Ruiren, Wen Xiushan, Kang Beisheng, Wang Zhi, Zeng Ming, Liu Yongye, Hou Linzhou, and Cai Liangcheng. In addition to members of the presidium, also sitting on the rostrum were Hu Ping, Jia Qinglin, He Shaochuan, Zhang Gexin, Huang Ming, Cai Ninglin, You Dexin, Wang Yishi, Chen Mingyi, Chen Xizhong, Jiang Xuedao, Ni Songmao, Zhao Xiufu, Lu Haoran, Zuo Fengmei, Lu Tao, Chen Yangzeng, Liang Poyun, Xu Dongliang, Zhang Ji, Chen Xinxu, and Chen Yourong.

Li Yongye, executive chairman of the session and vice chairman of the provincial People's Congress Standing Committee, presided at the closing session. The session adopted the "resolution on accepting the request of some personnel to resign from the chairmanship, vice chairmanship, and membership of the Standing Committee of the provincial Congress" and accepted the resignations of Hu Hong as chairman of the Standing Committee of the sixth provincial People's Congress; Cai Li as vice chairman; and Wang Yu, Feng Yuhua, Zhou Guisheng, Lin Zhaoxu, and Yin Xiaoyou as members of the Standing Committee.

The session elected, by secret ballot, Cheng Xu chairman; Wang Yan and Wen Xiushan vice chairmen; and Sun Wei, Lu Juyong [0712 1446 3057], Su Li 5685 6849], Lin Shize, and Fu Deyi listed in the order of the number of strokes in their surnames) as members of the Standing Committee of the sixth provincial People's Congress. Currently, the Standing Committee has nine vice chairmen: Wang Yan, Guo Ruiren, Wen Xiushan, Kang Peisheng, Wang Zhi, Zeng Ming, Liu Yongye, Hou Linzhou, and Cai Liangcheng.

#### XIANG NAN PAYS LAST RESPECTS TO FUJIAN ENGINEER

OW060835 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 5 Nov 85

[Excerpts] A memorial meeting for late Comrade (Ge Zhixu) was held in Fuzhou today. (Ge) was a member of the Standing Committee and deputy secretary general of the Fujian Provincial CPPCC Committee and chief engineer of the Fujian Provincial Building Corporation and the Fujian branch of the China Building Corporation. Comrade (Ge Zhixu) died of illness on 20 October at the age of 70. Xiang Nan, secretary of the Fujian Provincial CPC Committee, paid his last respects to Comrade (Ge Zhixu's) remains in the hospital, and so did Wu Hongxiang, chairman of the provincial CPPCC Committee.

#### SHANGHAI MAYOR, SECRETARY PRESENT AWARDS

OW060923 Beijing XINHUA Domestic Service in Chinese 0312 GMT 6 Nov 85

[Excerpts] Shanghai, 6 Nov (XINHUA) -- Yang Huaiyuan, the outstanding passenger ship steward known throughout the nation for his "shoulder pole spirit," received the honor titles of national model worker and Shanghai's fine party member on 5 November. On behalf of the State Council and the Shanghai Municipal CPC Committee respectively, Jiang Zemin, mayor of Shanghai, and Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, presented the medal and certificate to him. The Shanghai Municipal CPC Committee issued a "circular on launching a movement to learn from Comrade Yang Huaiyuan" at the 5 November awards meeting. Yang Huaiyuan's "On Serving the People," and his videotape talk will be put on sale.

#### ZHEJIANG'S WANG FANG ADDRESSES REPORT MEETING

OW060947 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 5 Nov 85

[Excerpts] Representatives of those in our province who had participated in the construction work in Xizang made reports to nearly 2,000 people this morning at the Great Hall of the People in Hangzhou. The reports dealt with their advanced deeds and experiences in supporting the construction of Xizang. This meeting to report on advanced deeds was sponsored by the provincial CPC Committee and government.

In April 1984 over 1,000 aid-to-Xizang construction workers left our province on the coast of Dong Hai for Lhasa on the roof of the world to assist in Xizang's construction. Despite the extremely difficult conditions of oxygen deficiency and inclement weather on the plateau, they completed in a short span of 15 months the work that normally would have taken 3 years to finish. Their work included three successful construction projects: Xizang Gymnasium, Xizang University, and Xizang audio-visual education center.

Hu Qili, member of the Secretariat of the CPC Central Committee, personally received representatives of the aid-to-Xizang construction workers from our province and highly praised their work. At the meeting, reports on work done to assist in Xizang's construction were delivered by Cui Zuyao, deputy commander of the Zhejiang provincial aid-to-Xizang project command; Jiang Aoshu, architect and chief responsible person for the design of Xizang Gymnasium; and Shen Bingxiang, head of a work group that participated in the gymnasium project.

Wang Fang, secretary of the provincial CPC Committee, who addressed the meeting, said: To learn from the experience of the aid-to-Xizang workers, we must emulate their example in attaching importance to and strengthening political and ideological work and in combining ideological work closely with economic work. We must also learn from their highly scientific organization and management, their conscientious work style of being meticulous about every detail, and their struggling spirit in doing pioneering work and blazing new trails.

ZHEJIANG ADOPTS RESOLUTION ON ECONOMIC CRIME

OW060435 Hangzhou ZHEJIANG RIBAO in Chinese 30 Oct 85 p 4

["Resolution on Cracking Down on Serious Economic Crime To Ensure Smooth Progress of the Reform of the Economic Structure" -- adopted by the 16th Standing Committee Session of the 6th Zhejiang Provincial People's Congress on 29 October 1985]

[Text] After hearing the "report on the work of cracking down on serious economic crime" delivered by Chief Procurator Zhang Shixiang of the provincial People's Procuratorate, the 16th Standing Committee Session of the 6th Zhejiang Provincial People's Congress held that great progress has been achieved in cracking down on serious economic crime and that procuratorates, courts, public security, industry and commerce, finance and taxation, auditing, price, and other relevant departments at all levels have done a great deal of work. However, criminal activities in the economic sphere are still very serious. We must attach great importance and pay special attention to them.

The session calls on judicial departments at all levels to continuously implement the NPC Standing Committee's "decision on severely punishing criminals who seriously disrupt the economy" and regard the crackdown on serious economic crimes as one of their priorities in work. Vigorous efforts should be made to investigate and deal with major cases, especially those involving large sums and having great adverse and corrosive influence, as well as those involving leading organs and leading cadres. We must pay special attention to trying such cases and conclude them as quickly as possible. All law violators must be punished in accordance with law, no matter who they are. Those who deliberately cover up crimes or bend the law for the benefit of relatives or friends must be thoroughly investigated and severely punished.

The session points out: People's government, industry and commerce, finance and taxation, banking, auditing, and price departments at all levels must exercise their functions in accordance with law, strengthen economic supervision and market administration, protect the legitimate operation activities of industrial and commercial enterprises as well as individual industrial and commercial businesses, and earnestly investigate and punish illegal operations. They must thoroughly investigate and punish in accordance with such illegal activities as embezzlement, theft, speculation, swindling, offering and taking bribes, smuggling, selling smuggled goods, tax evasion, raising prices, getting loans through fraud, illegal trade in foreign exchange, selling bank accounts, and so forth. Serious cases that violate the criminal law must be promptly referred to the judicial department to find out who is responsible for the crime. Demanding and accepting commissions in purchasing and marketing activities should be punished in accordance with law if the case is serious and if the crime constitutes bribery.

The session urges all departments and units to actively support the work of judicial, industry and commerce, finance and taxation, banking, auditing, price, and other departments; closely cooperate with them; and continuously intensify the struggle against economic crimes to ensure the smooth progress of the reform of the economic structure.

HENAN COUNTY IMPLEMENTS HU YAOBANG'S INSTRUCTIONS

HK051437 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 3 Nov 85

[Text] While Yu Yaobang, general secretary of the CPC Central Committee, was inspecting Yichuan County on 20 October, he personally wrote the inscription: "Unite and struggle hard to carry out the great plan." Comrade Hu Yaobang's inscription is being conscientiously acted upon by everyone throughout the county.

On 30 and 31 October, the Yichuan County CPC Committee held an enlarged meeting to convey and implement Comrade Hu Yaobang's instructions and written inscriptions given while he was inspecting Yichuan. He called on all party members and cadres to take the overall situation into consideration, to stress unity and practical results, and to compete with one another to make contributions.

The county CPC Committee Standing Committee decided that, beginning in November, a duty rotation system for the county CPC Committee secretaries and county head will be implemented. With the exception of a person dealing with routine work in the organ, the other members must go to basic levels to conduct investigation and study and must take a turn of work once every month. The leading comrades of the county CPC Committee Standing Committee and the county People's Armed Forces Department must also spend one-third of their time at basic levels. The principal leading comrades of the county CPC Committee Standing Committee and the county government must investigate the 372 administrative districts in the whole county once every 2 years. The principal leading comrades of the townships and towns must investigate the 907 natural villages in the whole county once every 2 years. The county CPC Committee demanded: In the course of investigation, it is necessary to look into the conditions of the people, to help the masses sum up experiences, to bring advantages into play, to lift the people out of poverty, and to make them rich.

HUNAN GOVERNOR WRITES ON SITUATION IN PROVINCE

HK060502 Beijing CHINA DAILY (HUNAN Supplement) in English 6 Nov 85 p 1

[Article by Hunan Provincial Governor Xiong Qingquan: "Abundant Province Set To Boost Prosperity"]

[Text] Since the 3d Plenary Session of the 11th party Central Committee held in 1978, Hunan's economy has been on the right track, undergoing a sustained, stable and well-balanced development. Its economic structure is becoming more wisely planned and production is developing rapidly. Under the current policy of invigorating the home economy and opening China to the outside world, the people of Hunan are working hard to further boost the province's economic development.

Hunan Province, situated in the southern part of the lower and middle reaches of the Yangtze River, has a population of 56 million people. Its 210,000 square kilometres include mountains, hills, lakes and plains. Resources are bountiful and transport is convenient. From an economic point of view, Hunan is located well. It happens to be at the central point between four important cities -- Shanghai, Guangzhou, Wuhan and Chongqing. Several important railway lines, among them the Beijing-Guangzhou line and the Zhejiang-Jiangxi line, run through the province. Linked with the Dongting Lake, China's second largest fresh-water lake, and the Yangtze River, are four rivers -- the Xiangjiang, Zijiang, Yuangjiang and Lijiang.

Hunan's climate is mild, and its rainfall moderate: the province is called the land of fish and rice. It also has non-ferrous metal and non-metal mineral deposits. It produces more paddy and ramie than any other provincial area. Its output of tea and oranges is the second largest in the country, and it is also famous for its live pigs, tong oil and lotus seeds.

So far, 109 types of mineral have been discovered in Hunan, more than in any other provincial area. Deposits of 81 of these minerals have been confirmed. Among them the deposits of tungsten, barite, fluorite stone, sea-foam and monazite are the largest in the country.

Hunan has a long history. Excavated cultural relics at Mawangdui Tombs show that agriculture, animal husbandry and handicraft industries had developed to a considerable degree as long as 2,000 years ago. In the province are many scenic spots and historical sites. At least 150 of these sites are now under the protection of provincial or higher authorities. Favorite tourist attractions include: Yuelu Mountain, in the provincial capital of Changsha; Hengshan Mountain, famous as a Buddhist sacred retreat and summer resort; Yueyanglou, one of the three most famous multi-storied buildings in south China; and the newly discovered Wulingyuan wilderness.

Economically, Hunan has advanced rapidly over the past few years. Last year the province's GDP (gross domestic product) totaled 50.5 billion yuan, a figure 17 times greater than in 1949. Agricultural output was valued at 17 billion yuan and the grain output amounted to 25 million tons. Total industrial output was valued at 23 billion yuan. Of this, heavy industry accounted for 12.6 billion yuan and light industry for 10.4 billion yuan.

Hunan has some advantages in heavy industry. With strong agricultural production and mineral resources, both heavy and light industry have great potential for development.

Hunan is an area that has produced many famous statesmen, thinkers, strategists, men of letter, artists and scientists. There are now more than 450,000 scientific and technical personnel in the province. Over the past 10 years, their achievements have included the crossbreeding of rice, and developing a "Galaxy" super-computer capable of more than 100 million operations per second.

Rapid progress has also been in Hunan's foreign trade over recent years. The province has established trade relations with 104 countries and regions abroad. It now exports some 6,000 commodities, which fall into such categories as livestock and native products, grain, oil and food products, tea, light industry, textiles, silk products, chemical, industrial arts, machinery, ramie products and medicines. The past few years have also seen progress in using foreign capital to process foreign-supplied materials, to set up compensation trade and Chinese and foreign co-production firm and joint ventures.

In order to speed up the province's economic development, Hunan will continue its open policy. With its bountiful resources it will try its best to attract investment, technology, and skilled personnel both from other parts of the country and from abroad. In this way, Hunan's advantages in resources will bring about advantages in production and the market-oriented economy. And the goal of quadrupling 1980 industrial and agricultural output value by the end of this century will be attained earlier. Steps to expedite economic progress include:

-- Great efforts to restructure the economy, especially the urban economy. The key link of this reform lies in further streamlining the administration and decentralizing government power so as to increase the vitality of enterprises. Under the unified plan of the central authorities, Hunan will make greater efforts to reform planning and distribution systems, price and wage systems and foreign trade and foreign currency control systems.

-- Relations between various branches of the economy will be more carefully planned. Further efforts will be made to boost production in rural areas, to develop collective enterprises both in the city and in the countryside and to promote service industries. Attention will also focus on establishing a smooth information network, on improving the flow of commodities between different areas and on bettering traffic facilities.

-- Construction of key projects and basic facilities -- energy, transport, communications and production of raw materials in short supply -- will be guaranteed funds and material supplies. In technical development, emphasis will be on machine-building, electronics, the chemical, food, fodder and textile industries. Particular importance will be attached to key enterprises so that they can become the mainstay of their trades.

-- Development of science and technology and education will be accelerated. While research on basic science will be strengthened, special attention will be paid to study new technologies and applying them to production. Education will try to turn out large numbers of qualified personnel for new economic development in the 1990's and in the next century.

-- The policy of opening China to the outside world will continue in a bolder way. It is our long term policy to expand foreign trade. Last year, a business talk was held in the provincial capital of Changsha, during which 160 deals were made with foreign and Hong Kong and Macao traders. In the future, Hunan will continue to treat overseas investors on preferential terms and to enlarge the scope of opening this province to the outside world on the basis of equality, mutual benefit and good credit standing.

We warmly invite friends from all parts of the world, including Overseas Chinese, compatriots in Hong Kong and Macao, to invest in this province or do business with us. For our part, in using foreign funds and imported technology, emphasis is laid on the following fields:

1. Improving varieties of crop, livestock and aquatic products and improving their processing.
2. Speeding up the development of animal husbandry, forestry, pomiculture, and the fodder and food industry.
3. Developing non-ferrous and non-metal mineral deposits and improving the processing of mineral products.
4. Building large and medium-sized thermal and hydroelectric power stations and nuclear power stations.
5. Developing tourism.
6. Technically updating enterprises in the iron and steel, chemical, machine-building, textile, electronics and ceramic industries.

There are many ways for overseas investors to co-operate with us in Hunan. They may set up businesses operating only with foreign capital, or joint ventures using Chinese and foreign capital. Compensation trade is also an option. In addition, they can grant loans, lease or export. In short, overseas investors in economic, financial, scientific and technological and advisory fields are welcome to co-operate with us regardless of the scale of their investments.

XIZANG'S WU JINGHUA ADDRESSES PLA REPORT GROUP

HK060631 Lhasa Xizang Regional Service in Mandarin 1130 GMT 4 Nov 85

[Excerpts] On the afternoon of 4 November the regional CPC Committee, the regional people's government, and the Xizang Military District jointly held the first report meeting of the PLA heroes and models report group at the Lhasa Theater. Cherishing a feeling of a great reverence, more than 1,000 people, including regional party, government, and Army responsible comrades; cadres above the county level in regional departments, bureaus, commissions, and offices; and noted personages of various nationalities and from all circles in Lhasa City, listened to the first report by the PLA heroes and models report group in the region. It was a vivid and moving report.

Redi, deputy secretary of the regional CPC Committee, presided over the report meeting. Amid warm applause, Wu Jinghua, secretary of the regional CPC Committee and political commissar of the Xizang Military District; and Pagbalha Geleg Namgya, vice chairman of the regional People's Congress Standing Committee, presented badges to all members of the PLA heroes and models report group.

Seated on the rostrum were regional party, government, and Army responsible comrades Wu Jinghua, Pagbalha Geleg Namgya, Redi, Yangling Duo jie, Ba Sang, Mao Rubai, Cao Xu, Jiangcun Luobu, Dan Zeng, Hu Songjie, Song Ziyuan, Niu Ruizhou, Hou Jie, Zhang Zengwen, Xuekang Tudengnima, Langjie, Yang Zongxin, Pu Qiong, Jipu Pingcuocideng, Jiang Hongquan, (Gan Shaozhong), Zhang Fengjiao, (Xu Minggao), and (Zhang Jinshan), and regional CPPCC Committee Vice Chairman Lamin Suolang Lungzhu, Jimzhong Gyancan Puncog, and Danzeng Jiacao. At the conclusion of the report meeting Wu Jinghua, secretary of the regional CPC Committee and political commissar of the Xizang Military District, delivered a speech.

YUNNAN STATION URGES SUPPORT FOR REFORMS

HK060851 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 4 Nov 85

[Station commentary: "Persisting in Doing Well in Reforms"]

[Text] The Seventh 5-Year Plan proposals adopted by the National Conference of Party Delegates mainly emphasize reform and carefully worked out key points, steps and work methods for reform. In light of the province's actual conditions, we must seriously implement them. Through reform in the Seventh 5-Year Plan period, we should strive to lay a good foundation for building an energetic socialist economic system.

In order to do well in reforms, we must further seek a common understanding among the cadres and masses on reform. We must publicize justly and forcefully the present good situation brought about by reform. We must help cadres and the masses take a correct attitude toward the situation, and further understand the urgency and importance of reforming. We must correct unhealthy tendencies and hit at serious economic crimes. We should make cadres and the masses understand that reform is a process of self-perfection and development of the socialist system. The aim is to develop productive forces and to gradually improve the people's livelihood, so as to build socialism with Chinese characteristics. All reform measures must be favorable to maintaining and developing the socialist public ownership economy, which occupies the dominant position. They must also be favorable to achieving the basic principle of joint prosperity.

Moreover, we must get cadres and the masses to fully understand the formidable nature and complications of reforms. We must strengthen their concepts of policies, legal system, and the overall situation. We must also prepare them mentally to overcome problems and to suffer some temporary but inevitable hardships, so as to lay a stronger ideological foundation for promoting reform.

Reform also depends on our down-to-earth work style. We must make a good start in the first year of the Seventh 5-Year Plan period. At present, the province's prominent problem is that the investment scale of fixed assets is too great and the growth of consumption and credit funds is too rapid. This is unfavorable to promoting smooth progress in reforms. We must handle well the relations between microeconomic control, invigoration, and macroeconomic control. We should gradually strengthen and perfect the present scale of control and resolutely check the investment scale of fixed assets. Within the next year, we must solve this issue and create a good economic environment for reform.

The focus of urban reform is to invigorate enterprises, particularly large and medium-sized enterprises. At present, the province has only invigorated some 10 percent of the large and medium-sized enterprises. We should further implement the state's regulations on invigorating these enterprises. We must spare no effort in grasping the issue and strive to invigorate about one-third of them.

In the rural areas, we must continue to maintain steady agricultural growth. Under no circumstances must we take a relaxed attitude toward grain production. We must continue to perfect and develop the system of contracted responsibilities on a household basis with payment linked to output. At the same time, on the principle of voluntariness and mutual benefit, we must encourage the peasants to develop varied cooperation and joint operation. Under the guidance of the state plan, we must expand the scope of market readjustment for agricultural production. We must do well in various reforms favorable to further developing agricultural productive forces, so as to promote the specialization and modernization of the province's rural economy as well as helping it to become a large-scale commodity producer.

Reform is a very formidable and complicated social engineering project. However, so long as we act in an unswerving way, are confident of accomplishing the task, act carefully and in a down-to-earth manner in our work, proceed with caution and continue to sum up the experience gained from our experiments, we shall certainly achieve our expected goals.

HEILONGJIANG STATE SECURITY ARRESTS TAIWAN SPY

SK060908 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 5 Nov 85

[Text] Our province's state security organs recently cracked a Taiwan Kuomintang spy case and found evidence of espionage. (Liu Fanzhu), a Taiwan KMT spy, was arrested according to law. (Liu Fanzhu), a male, is 43 years of age. As a spy, his pseudonym was (Liu Ruihua) and his code name was 7856. He was a former middle-ranking teacher at (Jinbian) branch of (Kekeyan) farm. As early as 1981 (Liu Fanzhu) established ties with spies of the Taiwan KMT intelligence bureau in Hong Kong and provided information for the espionage organization. In 1983 he joined the espionage organization and on several occasion secretly provided information concerning the political, economic, and administrative organs to the Taiwan espionage organ. The Taiwan espionage organ successively mailed great amounts of espionage funds to him.

HEILONGJIANG FORUM OUTLINES MAJOR ECONOMIC TASKS

SK061258 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 4 Nov 85

[Text] What should we pay attention to in carrying out economic work during the coming winter and spring? The provincial economic work forum, which concluded yesterday, put forward seven major points of the work. They are as follows:

First, we should correctly handle the relationship between growth rate and economic results and give priority to improving economic results. In order to improve economic results, we should reduce raw materials and energy consumption, change the product mix, produce readily marketable products, reduce the amount of occupied funds, accelerate the turnover of circulating funds, stop deficits with great efforts, and reduce the number of money-losing enterprises.

Second, we should carry out reform persistently and invigorate large and medium-sized enterprises. The output value of the 292 large and medium-sized enterprises of the province amounts to 66.6 percent of the province's total, and their profits and taxes turned over to higher authorities amount to 86.1 percent of the province's total. In order to invigorate these enterprises, we should conscientiously implement the series of policies and stipulations on granting more decision making power to enterprises formulated by the central authorities so as to provide favorable conditions for invigorating enterprises. In the meantime, we should lead enterprises to tap their own potentials, readjust their leading bodies successfully, and improve management.

Third, we should improve product quality. We should set and follow quality standards strictly, improve quality inspection organs, apply the personal responsibility system to quality control, and link quality control with economic benefits. Central cities should also establish quality supervisory stations to inspect the quality of the products inside and from outside the province.

Fourth, we should do a good job in production safety and environmental protection. Leaders should be responsible for production safety, and safety inspection organs should be established and improved. We should eliminate the old pollution sources within a fixed period of time and simultaneously build pollution prevention facilities when we start a new project so that we can prevent new sources of pollution.

Fifth, we should conduct industrial surveys successfully. Industrial surveys concern the situation and capacity of the state, and fundamental work for developing the national economy. We should give wide publicity to them and complete them on time.

Sixth, we should accelerate technical transformation. Technical transformation is a key task for the Seventh 5-Year Plan period. All localities should concentrate their efforts on the technical transformation of key enterprises, and give priority to enterprises that produce brand-name products, that have the advantage in resources, and that produce goods for export to earn foreign exchange, and to the projects aiming at energy conservation and the reduction of consumption.

Seventh, we should strengthen ideological and political work. Ideological and political work should be carried out in line with the actual conditions in daily life and production. We should have the ability to lead the staff and workers in showing concern for the development of enterprises. Ideological and political workers should act as exemplars everywhere and educate and persuade others with their own exemplary deeds.

The seven work points were worked out on the basis of an analysis of the economic situation in the first 9 months of this year and a prediction of economic development trends. Vice Governor An Zhendong spoke at the forum.

#### LIAONING MEETING ON CONSTRUCTION OF PARTY ORGANS

SK060234 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 5 Nov 85

[Excerpts] The provincial meeting on the construction of rural grass-roots party organizations that opened in Benxi on 1 November came to an end today. Shang Wen, Standing Committee member of the Liaoning Provincial CPC Committee and director of the Organization Department, delivered a report on vigorously strengthening the rural grass-roots parts organizational work and promoting the building of the two civilizations. While summing up the achievements of the previous stage in building rural party organizations, he put forward five specific tasks on how to do a good job in building the rural party organizations in order to cope with the new situation.

1. We should firmly implement the party's policy of making the people prosperous, be organizers and leaders in developing rural commodity economy, and realistically vitalize the rural economy.
2. We should enthusiastically support and help in the development of specialized and key households as well as various kinds of economic associations, and help peasants solve difficulties in the course of developing commodity production.
3. We should grasp the building of the two civilizations in the rural areas in an effort to promote the prosperity of socialist commodity economy.
4. We should actively grasp the development of competent persons and intellectuals, and vigorously train rural economic, technical, and managerial competent persons.
5. We should strengthen the management and education of rural party members and give full play to their vanguard and exemplary role.

Sun Weiben, deputy secretary of the provincial CPC Committee, gave a summing-up report. Li Guixian, secretary of the provincial CPC Committee, attended the closing ceremony and spoke. After touching on our province's economic situation, he emphatically stressed that the CPC committees at all levels should include the work of strengthening the building of rural grass-roots party organizations in their agenda. He called on leading comrades at all levels to go deeply to the grass-roots levels to grasp the building of rural party organizations in a down-to-earth manner. The work should be grasped at every level. The provincial-level organs should grasp the party construction work of cities, the city-level organs should grasp that of counties, and the county-level organs should grasp that of townships, in order to lay a good foundation for an overall reform in the rural areas.

PRC CONTROL OF STUDENT PROTEST MOVEMENT CITED

HK070853 Hong Kong Domestic Service in English 0500 GMT 7 Nov 85

[Text] China has denied that the recent widespread student protests against Japan's growing militarism and trade surplus represent a growing trend against Japan. A Foreign Ministry spokesman in Beijing said slogans such as "down with Nakasone" and "boycott Japanese goods" were highly inappropriate, as the BBC's Helene Chung reports:

[Begin Chung recording] China's denial of what is widely seen as a brooding anti-Japanese sentiment and fear of Japanese exploitation in China is a further attempt to calm and control the student protest movement unleashed by the government. Anti-Japanese student demonstrations in at least four Chinese cities followed China's official commemoration of the 40th anniversary of the end to Japan's wartime occupation of China. But what began as a government-condoned anti-Japanese protest in the center of Beijing threatened to turn against the Chinese Government by calls for political freedom and democracy. It also threatened China's modernization by demanding a boycott of Japanese goods. Though China has complained about the trade imbalance at U.S. \$2.4 billion in Japan's favor, China needs Japanese technology and expertise. That's why Chinese leaders have embarked upon a series of pep talks to inject discipline and patriotism into the apparently misguided students.

The Communist Party has also taken over a planned student commemoration on December the 9th to mark the historic anti-Japanese student protest 50 years ago. But in so doing, China is in danger of giving further official support for and intensifying the growing anti-Japanese feeling in China. [end recording]

GUANGZHOU MILITARY REGION PUNISHES DIVISION LEADERS

HK060759 Hong Kong MING PAO in Chinese 6 Nov 85 p 6

["Special Dispatch From Guangzhou:" "Guangzhou Military Region Notice Points Out: Division Leaders Resold Autos for Profit; Instructor Murdered"]

[Text] In violation of policy, the commander and political commissar of a PLA division under the Guangzhou Military Region sought exorbitant profits by reselling autos, leading to the death of a battalion instructor who was murdered for his money when contacting the auto's owner.

In a notice issued on 31 October, the military region punished the division commander and political commissar by giving them a warning and a serious warning within the party respectively. The notice pointed out: The division leaders held that "we should not be concerned if we do not know how to make money but we should be concerned if we dare not try to make money" and that "we may do anything as long as we make money for the collective." In disregard of the financial system, they dispatched people to other places on five occasions last year, taking with them large amounts of public money, to illegally purchase cars. On one occasion they took with them as much as 200,000 yuan. On 24 September 1984, taking with him more than 50,000 yuan in cash, Liang Hai, a battalion instructor under the division, got in touch with a car owner and was murdered for his money by the other party that very night.

After the homicide, the leaders of the division not only failed to draw lessons from this case but again set about fraudulently purchasing imported cars at a time when the work team of the military region was conducting an investigation. The day following the withdrawal of the work team, they signed a contract with a local unit for the purchase of 10 imported vans.

The Guangzhou Military Region had explicitly stipulated: Approval should be obtained from an army level unit for bank credit of more than 100,000 yuan; approval should be obtained from the Logistics Department of the military region for bank credit of more than 300,000 yuan. However, adopting the attitude of "you have your policies and I have my counterpolicies," the leaders of this division employed the tactics of "ob-training credits in a decentralized manner and using them in a centralized one." Using the five account numbers of the division to obtain credits of 99,000 yuan each, they paid for the 10 imported vans. Soon afterwards, these vans were transported to Xian to be resold at high prices but were seized on the spot by the local departments concerned.

At first the leaders of the division withheld the truth about reselling the autos for profit and later tried to cover up the facts. After battalion instructor Liang Hai disappeared, they concealed the truth on the pretext that the matter had not been clarified. After a 2 week delay, seeing that it was impossible to cover up the truth, they made a report to the higher authorities. After the second case of fraudulently purchasing imported cars and reselling them for profit in Xian came to light, in an attempt to absolve themselves from guilt and to shirk responsibility, they falsified the date of the contract on two occasions and thus placed obstacles before the higher authorities' understanding of the case.

In order to investigate the details of the two cases, the Guangzhou Military Region sent four work teams on four occasions. Commander You Taizhong and Political Commissar Zhang Zhongxian also held heart-to-heart talks with the seven Standing Committee members of the division CPC Committee to help them realize their mistakes and sum up experience.

The other day the commander and political commissar of the division made a self-criticism at a division meeting of officers at and above platoon level. The division CPC Committee also wrote a self-examination report to the higher authorities.

#### GENERAL STAFF HOLDS MEETING ON TRAINING REFORM

HK030131 Hong Kong MING PAO in Chinese 1 Nov 85 p 6

["Special Dispatch From Beijing": "General Staff Department Holds Work Meeting; Reform To Be Highlighted in Military Training, Regularized System To Be Set Up"]

[Text] Reform is to be highlighted in the Chinese People's Liberation Army's military training, and a regularized system is to be set up in 1986 in order to create conditions for military training to develop in the direction of a modernized and regular Army.

The General Staff Department recently held an all-Army work conference on military training in Beijing. The officers attending the meeting held that in the military training of the whole Army in 1985, not only have all the troops fulfilled the annual training tasks but they have made some new breakthroughs in the training system. Experiences have been gained in the reform of the training system through experiments. Good results have been scored in the reform of individual and squad training through demonstrations. Progress has been made in the application of such new technologies as lasers and electronics, and in developing simulator equipment for training, while the pace of modernizing training means has been accelerated.

The conference concluded on 22 October. It stressed that reform must be highlighted in military training during the coming year, and that a good job must be done in the following aspects:

-- Strengthening the training of officers. The strategic shift of the guiding idea in building up the Army requires that officers be capable of dealing with a sudden outbreak of any incident or a limited war, while being suitable for the peacetime modernization of the Army. Therefore, it is necessary to train talented people and to have a reserve of officers for building a modernized and regular Army and any future war against aggression, through training at military academies and training with the troops.

-- Doing a good job in grasping well the key points in training. With the readjustment of the personnel establishment system, it is necessary to do a good job in training the newly enlisted chiefly in the instruction units -- so that a good foundation may be laid in technical tactics, and the starting point for military training in the units and its quality can be upgraded. The military training of those units which are to take up the task of war preparedness must be grasped well; and the key is to conduct tactical training in joint action, at all levels from top to bottom, while military exercises are to be organized with live ammunition, in order to upgrade the capability for all-arms combat under modern conditions. It is particularly necessary to grasp well exercises for headquarters of army groups, and command exercises with live ammunition, in order to gain experience in army group campaign maneuvers.

-- Developing military theory. Not only should special organs study military theory, but army organs, military institutes and academies, and army units should all devote themselves to the study of military theory, and the main target of their studies should be making themselves suitable to the needs of future wars.

-- Striving for the modernization of military training means. It is necessary to develop such advanced simulator equipment for training as lasers and electronics, to develop education with electronic audio-visual aids, the audio-visual education programs highlighted by tactical training in joint operations, forming into a complete set, as well as to build training grounds for such programs.

The session pointed out, the reform in military training from now on must be based on the principle of "making up before training" and a training system of linking peacetime and wartime needs must be set up, a complete training system based on the concept of the system theory. It is necessary to start from the needs of the development in training work in establishing a scientific guarantee system for military training. At the same time it is necessary to establish a set of regular administrative systems for training, suitable to the objective law of peacetime military training.

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